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STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CLARK-PLEASANT COMMUNITY
SCHOOL CORPORATION
JOHNSON COUNTY, INDIANA

July 1, 2016 to June 30, 2018

FILED
05/30/2019

TABLE OF CONTENTS

Description	Page
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with *Government Auditing Standards*	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis	10-11
Notes to Financial Statement	12-18
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis	20-31
Schedule of Payables and Receivables	33
Schedule of Leases and Debt	34
Schedule of Capital Assets	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	38-40
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-54
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings	56-59
Corrective Action Plan	60-64
Other Reports	65

SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Patty Grabhorn	07-01-16 to 12-31-19
Superintendent of Schools	Dr. Patrick Spray	07-01-16 to 06-30-20
President of the School Board	Dr. E. Curtis Harris	01-01-16 to 12-31-19

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AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CLARK-PLEASANT COMMUNITY
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Clark-Pleasant Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 9, 2019, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 9, 2019

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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Clark-Pleasant Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated April 9, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 9, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	$ 7,794,948	$ 41,085,584	$ 40,851,295	$ (1,414,490)	$ 6,614,747	$ 42,572,984	$ 41,970,768	$ (1,407,953)	$ 5,809,010
Debt Service	2,727,516	16,912,889	14,283,152	(2,641,966)	2,715,287	15,778,171	13,986,297	(2,431,590)	2,075,571
Retirement/Severance Bond Debt Service	66,719	197,891	222,657	(30,636)	11,317	37,062	42,713	(5,666)	-
Capital Projects	1,703,009	2,157,000	2,910,297	1,140,486	2,090,198	3,859,347	3,005,439	1,062,895	4,007,001
School Transportation	892,167	2,170,269	3,315,709	1,187,686	934,413	2,660,901	3,281,415	1,062,572	1,376,471
School Bus Replacement	308,417	352,619	437,027	193,233	417,242	578,586	613,845	224,181	606,164
Rainy Day	3,469,775	-	73,342	1,500,000	4,896,433	-	340,449	1,500,000	6,055,984
Construction	606,579	119,200	239,530	-	486,249	119,200	666,920	5,000,000	4,938,529
School Lunch	1,368,722	3,288,225	3,233,939	-	1,423,008	3,380,042	3,382,626	-	1,420,424
Textbook Rental	444,378	507,849	567,123	151,197	536,301	518,507	685,114	104,574	474,268
Self-Insurance	1,414,305	6,645,674	7,416,747	-	643,232	7,158,073	6,247,132	-	1,554,173
Educational License Plates	16,523	225	232	-	16,516	188	163	-	16,541
Alternative Education	44,881	18,197	214	-	62,864	24,476	87,340	-	-
SAFE School Haven	7,884	-	-	-	7,884	-	-	-	7,884
Early Intervention Grant	566	-	830	-	(264)	-	(264)	-	-
Johnson Co Comm Foundation Grant	217	10,500	6,563	-	4,154	-	-	-	4,154
Donations	20,527	27,997	42,246	-	6,278	20,875	19,625	-	7,528
Palmore Donation	4,310	-	-	-	4,310	-	-	-	4,310
Student On Line Software	516	-	-	-	516	-	-	-	516
Future Problem Solvers	206	-	-	-	206	-	-	-	206
CVS/Caremark Donation WCHS	60	-	-	-	60	-	-	-	60
REMC-CES Outdoor Science Lab	498	-	-	-	498	-	-	-	498
Walmart WCHS Rhythm Masters	352	-	-	-	352	-	-	-	352
Lowes Toolbox for Education Grant	128	-	-	-	128	-	-	-	128
Hospital Donations	-	25,000	5,721	-	19,279	25,000	19,209	-	25,070
CPI-Wells Fargo Donation	360	-	-	-	360	-	-	-	360
Donation-WCHS Athletics	10,709	22,000	5,374	-	27,335	4,000	1,556	-	29,779
Warrior Santa with a Cause	8,569	4,820	7,295	-	6,094	-	4,764	-	1,330
Literacy Summit	13,643	5,375	9,571	-	9,447	3,725	841	-	12,331
Extra-Curricular Activities	3,791	35,702	30,463	-	9,030	68,097	35,545	-	41,582
Miscellaneous Programs	2,500	2,500	-	-	5,000	-	907	-	4,093

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
Target Grant	12	-	-	-	12	-	-	-	12
Simon Youth Foundation CPA	7,794	2,884	3,034	-	7,644	2,303	5,760	-	4,187
CPR Classes	2,572	882	1,217	-	2,237	-	-	-	2,237
Target Grant-SWP/BES	381	-	-	-	381	-	-	-	381
CPA AT&T Grant-Tech Labs	1,265	-	-	-	1,265	-	-	-	1,265
Dow Greenhouse Grant	3,334	-	-	-	3,334	-	-	-	3,334
Formative Assessment	-	7,609	7,609	-	-	80,025	74,349	-	5,676
Special Education Excess Costs	-	-	-	-	-	91,207	89,741	-	1,466
Instruction Support	16,544	59,293	60,094	-	15,743	42,728	52,415	-	6,056
Medicaid Reimbursement	200,712	219,230	-	(85,510)	334,432	291,972	-	(110,073)	516,331
Secured Schools Safety Grant	(4,487)	15,628	11,141	-	-	-	-	-	-
Non-English Speaking Programs	5,696	43,949	40,156	-	9,489	47,000	53,298	-	3,191
School Technology	24,643	10,628	26,803	-	8,468	34,418	-	-	42,886
Career and Technical Performance Grant	-	24,765	-	-	24,765	6,225	24,765	-	6,225
Performance Based Awards	-	261,197	261,197	-	-	195,121	195,121	-	-
Senator David Ford Technology	(6,000)	29,822	23,822	-	-	-	-	-	-
NGA Grant	221	-	-	-	221	-	-	-	221
Title I FY 16-17	(271,673)	623,471	502,920	-	(151,122)	632,694	554,129	-	(72,557)
Special Ed Grant Part B 611 FY 2017	(2,707)	659,844	1,077,231	-	(420,094)	473,403	154,612	-	(101,303)
Special Ed Grant Part B 611 FY 2016	(411,467)	559,606	148,139	-	-	-	-	-	-
Special Ed Grant Part B 611 FY 2018	-	-	-	-	-	691,880	1,088,642	-	(396,762)
Special Ed Grant{Preschool}Part B 619 FY 16&17	(1,792)	18,846	24,864	-	(7,810)	24,822	42,020	-	(25,008)
Medicaid Reimbursement - Federal	(4,168)	-	9,505	-	(13,673)	-	10,623	24,296	-
Title II FY 15-17 & FY 16-18	7,922	57,093	87,951	-	(22,936)	75,788	49,092	-	3,760
Title III FY 17-19 & FY 16-18	(10,172)	33,024	38,474	-	(15,622)	36,919	32,129	-	(10,832)
Payroll Clearing Accounts	147,466	10,442,037	10,389,874	-	199,629	10,153,146	10,152,991	-	199,784
Totals	$ 20,638,871	$ 86,659,324	$ 86,373,358	$ -	$ 20,924,837	$ 89,688,885	$ 86,972,091	$ 5,023,236	$ 28,664,867

The notes to the financial statement are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

B. Additional Pension Plan

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Employees that are noneligible for TRF can receive up to a 4 percent annuity contribution match to their annuity retirement fund. Information regarding these plans may be obtained from the School Corporation.

Note 7. Negative Disbursement

The financial statement contains a disbursement which appears as a negative entry. This is a result of an adjustment or corrections to correct postings between school years.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made to the School Corporation were not received by June 30, 2018.

Note 9. Holding Corporations

The School Corporation has entered into a capital lease with Clark-Pleasant Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $1,597,000 and $798,500, respectively. The final payment of the capital lease was made on December 20, 2017.

The School Corporation has entered into a capital lease with Clark-Pleasant 1997 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $625,750 and $598,000, respectively.

The School Corporation has entered into a capital lease with Clark-Pleasant Community School Corporation Building Corporation-2001 (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $2,838,000 and $2,841,500, respectively.

The School Corporation has entered into a capital lease with Clark-Pleasant Intermediate School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $1,605,500 and $1,606,000, respectively.

The School Corporation has entered into capital leases with Clark-Pleasant 2004 School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $3,368,000 and $2,848,500, respectively.

The School Corporation has entered into a capital lease with Clark-Pleasant Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $4,096,000 and $4,103,500, respectively.

The School Corporation has entered into a capital lease with Central Nine Career Center Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the years ending June 30, 2017 and 2018, totaled $77,596 and $77,900, respectively.

Note 10. Subsequent Events

In November 2018, an eight-year up to $0.10 annual tax referendum was voted on and approved by the taxpayers of the School Corporation, generating approximately $12,000,000 over the eight-year period for the purpose of funding school safety initiatives, programs, and student mental health support.

In February 2019, the School Corporation, acting through the Clark-Pleasant Middle School Building Corporation, approved the issuance of bonds in the amount of $35,000,000 in order to finance the 2019 Growth, Efficiency, and Technology Project. This includes the construction of a new elementary school and the renovation of and improvements to other school facilities, including site improvements, equipment, vehicles, and technology.

Note 11. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, vision, and life insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://www.doe.in.gov/finance/school-financial-reports. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: https://gateway.ifionline.org/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	$ 7,794,948	$ 2,727,516	$ 66,719	$ 1,703,009	$ 892,167	$ 308,417	$ 3,469,775	$ 606,579	$ 1,368,722	$ 444,378
Receipts:										
Local sources	314,738	16,912,889	197,891	2,111,415	2,166,280	352,619	-	-	1,421,714	266,554
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	40,508,593	-	-	-	-	-	-	-	36,964	235,801
Federal sources	28,606	-	-	-	-	-	-	-	1,825,292	-
Other receipts	233,647	-	-	45,585	3,989	-	-	119,200	4,255	5,494
Total receipts	41,085,584	16,912,889	197,891	2,157,000	2,170,269	352,619	-	119,200	3,288,225	507,849
Disbursements:										
Instruction	28,464,414	-	-	-	-	-	-	-	-	-
Support services	11,786,348	-	-	1,588,863	3,315,709	437,027	-	-	54,083	567,123
Noninstructional services	600,533	-	-	-	-	-	-	-	3,179,856	-
Facilities acquisition and construction	-	-	-	1,321,434	-	-	73,342	239,530	-	-
Debt service	-	14,283,152	222,657	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	40,851,295	14,283,152	222,657	2,910,297	3,315,709	437,027	73,342	239,530	3,233,939	567,123
Excess (deficiency) of receipts over disbursements	234,289	2,629,737	(24,766)	(753,297)	(1,145,440)	(84,408)	(73,342)	(120,330)	54,286	(59,274)
Other financing sources (uses):										
Transfers in	85,510	-	-	1,140,486	1,187,686	193,233	1,500,000	-	-	151,197
Transfers out	(1,500,000)	(2,641,966)	(30,636)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,414,490)	(2,641,966)	(30,636)	1,140,486	1,187,686	193,233	1,500,000	-	-	151,197
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,180,201)	(12,229)	(55,402)	387,189	42,246	108,825	1,426,658	(120,330)	54,286	91,923
Cash and investments - ending	$ 6,614,747	$ 2,715,287	$ 11,317	$ 2,090,198	$ 934,413	$ 417,242	$ 4,896,433	$ 486,249	$ 1,423,008	$ 536,301

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	Self-Insurance	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant	Johnson Co Comm Foundation Grant	Donations	Palmore Donation	Student On Line Software	Future Problem Solvers
Cash and investments - beginning	$ 1,414,305	$ 16,523	$ 44,881	$ 7,884	$ 566	$ 217	$ 20,527	$ 4,310	$ 516	$ 206
Receipts:										
Local sources	6,229,512	-	-	-	-	10,500	-	-	-	-
Intermediate sources	-	225	-	-	-	-	-	-	-	-
State sources	-	-	18,197	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	416,162	-	-	-	-	-	27,997	-	-	-
Total receipts	6,645,674	225	18,197	-	-	10,500	27,997	-	-	-
Disbursements:										
Instruction	-	232	214	-	830	-	-	-	-	-
Support services	1,576,248	-	-	-	-	6,563	41,663	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	583	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	5,840,499	-	-	-	-	-	-	-	-	-
Total disbursements	7,416,747	232	214	-	830	6,563	42,246	-	-	-
Excess (deficiency) of receipts over disbursements	(771,073)	(7)	17,983	-	(830)	3,937	(14,249)	-	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(771,073)	(7)	17,983	-	(830)	3,937	(14,249)	-	-	-
Cash and investments - ending	$ 643,232	$ 16,516	$ 62,864	$ 7,884	$ (264)	$ 4,154	$ 6,278	$ 4,310	$ 516	$ 206

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	CVS/Caremark Donation WCHS	REMC-CES Outdoor Science Lab	Walmart WCHS Rhythm Masters	Lowes Toolbox for Education Grant	Hospital Donations	CPI-Wells Fargo Donation	Donation-WCHS Athletics	Warrior Santa with a Cause	Literacy Summit	Extra-Curricular Activities
Cash and investments - beginning	$ 60	$ 498	$ 352	$ 128	$ -	$ 360	$ 10,709	$ 8,569	$ 13,643	$ 3,791
Receipts:										
Local sources	-	-	-	-	25,000	-	22,000	4,820	5,375	35,702
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	25,000	-	22,000	4,820	5,375	35,702
Disbursements:										
Instruction	-	-	-	-	-	-	-	7,295	9,571	30,463
Support services	-	-	-	-	-	-	5,374	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	5,721	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	5,721	-	5,374	7,295	9,571	30,463
Excess (deficiency) of receipts over disbursements	-	-	-	-	19,279	-	16,626	(2,475)	(4,196)	5,239
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	19,279	-	16,626	(2,475)	(4,196)	5,239
Cash and investments - ending	$ 60	$ 498	$ 352	$ 128	$ 19,279	$ 360	$ 27,335	$ 6,094	$ 9,447	$ 9,030

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	Miscellaneous Programs	Target Grant	Simon Youth Foundation CPA	CPR Classes	Target Grant-SWP/BES	CPA AT&T Grant-Tech Labs	Dow Greenhouse Grant	Formative Assessment	Special Education Excess Costs	Instruction Support
Cash and investments - beginning	$ 2,500	$ 12	$ 7,794	$ 2,572	$ 381	$ 1,265	$ 3,334	$ -	$ -	$ 16,544
Receipts:										
Local sources	2,500	-	2,884	882	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	7,609	-	59,293
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	2,500	-	2,884	882	-	-	-	7,609	-	59,293
Disbursements:										
Instruction	-	-	3,034	-	-	-	-	7,609	-	60,094
Support services	-	-	-	1,217	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,034	1,217	-	-	-	7,609	-	60,094
Excess (deficiency) of receipts over disbursements	2,500	-	(150)	(335)	-	-	-	-	-	(801)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,500	-	(150)	(335)	-	-	-	-	-	(801)
Cash and investments - ending	$ 5,000	$ 12	$ 7,644	$ 2,237	$ 381	$ 1,265	$ 3,334	$ -	$ -	$ 15,743

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	NGA Grant	Title I FY 16-17	Special Ed Grant Part B 611 FY 2017
Cash and investments - beginning	$ 200,712	$ (4,487)	$ 5,696	$ 24,643	$ -	$ -	$ (6,000)	$ 221	$ (271,673)	$ (2,707)
Receipts:										
Local sources	-	15,628	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	219,230	-	43,949	10,628	4,772	261,197	29,822	-	-	659,844
Federal sources	-	-	-	-	19,993	-	-	-	623,471	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	219,230	15,628	43,949	10,628	24,765	261,197	29,822	-	623,471	659,844
Disbursements:										
Instruction	-	-	37,782	-	-	261,197	-	-	207,829	181,567
Support services	-	11,141	2,374	26,803	-	-	23,822	-	289,226	862,091
Noninstructional services	-	-	-	-	-	-	-	-	5,865	33,573
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	11,141	40,156	26,803	-	261,197	23,822	-	502,920	1,077,231
Excess (deficiency) of receipts over disbursements	219,230	4,487	3,793	(16,175)	24,765	-	6,000	-	120,551	(417,387)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(85,510)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(85,510)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	133,720	4,487	3,793	(16,175)	24,765	-	6,000	-	120,551	(417,387)
Cash and investments - ending	$ 334,432	$ -	$ 9,489	$ 8,468	$ 24,765	$ -	$ -	$ 221	$ (151,122)	$ (420,094)

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	Special Ed Grant Part B 611 FY 2016	Special Ed Grant Part B 611 FY 2018	Special Ed Grant {Preschool} Part B 619 FY 16&17	Medicaid Reimbursement - Federal	Title II FY 15-17 & FY 16-18	Title III FY 17-19 & FY 16-18	Payroll Clearing Accounts	Totals
Cash and investments - beginning	$ (411,467)	$ -	$ (1,792)	$ (4,168)	$ 7,922	$ (10,172)	$ 147,466	$ 20,638,871
Receipts:								
Local sources	-	-	-	-	-	-	-	30,098,903
Intermediate sources	-	-	-	-	-	-	-	225
State sources	-	-	21,583	-	-	-	-	42,117,482
Federal sources	559,606	-	(2,737)	-	57,093	33,024	-	3,144,348
Other receipts	-	-	-	-	-	-	10,442,037	11,298,366
Total receipts	559,606	-	18,846	-	57,093	33,024	10,442,037	86,659,324
Disbursements:								
Instruction	38,734	-	22,435	9,505	87,951	34,350	-	29,465,106
Support services	107,419	-	1,697	-	-	4,124	-	20,708,915
Noninstructional services	1,986	-	732	-	-	-	-	3,822,545
Facilities acquisition and construction	-	-	-	-	-	-	-	1,640,610
Debt service	-	-	-	-	-	-	-	14,505,809
Nonprogrammed charges	-	-	-	-	-	-	10,389,874	16,230,373
Total disbursements	148,139	-	24,864	9,505	87,951	38,474	10,389,874	86,373,358
Excess (deficiency) of receipts over disbursements	411,467	-	(6,018)	(9,505)	(30,858)	(5,450)	52,163	285,966
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	4,258,112
Transfers out	-	-	-	-	-	-	-	(4,258,112)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	411,467	-	(6,018)	(9,505)	(30,858)	(5,450)	52,163	285,966
Cash and investments - ending	$ -	$ -	$ (7,810)	$ (13,673)	$ (22,936)	$ (15,622)	$ 199,629	$ 20,924,837

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	$ 6,614,747	$ 2,715,287	$ 11,317	$ 2,090,198	$ 934,413	$ 417,242	$ 4,896,433	$ 486,249	$ 1,423,008	$ 536,301
Receipts:										
Local sources	320,797	15,778,171	37,062	3,802,600	2,624,700	578,586	-	-	1,408,367	275,617
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	41,779,866	-	-	-	-	-	-	-	35,638	239,012
Federal sources	-	-	-	-	-	-	-	-	1,919,430	-
Other receipts	472,321	-	-	56,747	36,201	-	-	119,200	16,607	3,878
Total receipts	42,572,984	15,778,171	37,062	3,859,347	2,660,901	578,586	-	119,200	3,380,042	518,507
Disbursements:										
Instruction	28,831,946	-	-	-	-	-	-	-	-	-
Support services	12,456,334	-	-	1,980,689	3,281,415	613,845	-	-	20,933	685,114
Noninstructional services	616,286	-	-	-	-	-	-	-	3,361,693	-
Facilities acquisition and construction	-	-	-	1,024,750	-	-	340,449	666,920	-	-
Debt service	66,202	13,986,297	42,713	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	41,970,768	13,986,297	42,713	3,005,439	3,281,415	613,845	340,449	666,920	3,382,626	685,114
Excess (deficiency) of receipts over disbursements	602,216	1,791,874	(5,651)	853,908	(620,514)	(35,259)	(340,449)	(547,720)	(2,584)	(166,607)
Other financing sources (uses):										
Proceeds of long-term debt	-	16,965	-	-	-	-	-	5,000,000	-	-
Sale of capital assets	6,270	-	-	-	-	-	-	-	-	-
Transfers in	85,777	-	-	1,062,895	1,062,572	224,181	1,500,000	-	-	104,574
Transfers out	(1,500,000)	(2,448,555)	(5,666)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,407,953)	(2,431,590)	(5,666)	1,062,895	1,062,572	224,181	1,500,000	5,000,000	-	104,574
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(805,737)	(639,716)	(11,317)	1,916,803	442,058	188,922	1,159,551	4,452,280	(2,584)	(62,033)
Cash and investments - ending	$ 5,809,010	$ 2,075,571	$ -	$ 4,007,001	$ 1,376,471	$ 606,164	$ 6,055,984	$ 4,938,529	$ 1,420,424	$ 474,268

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	Self-Insurance	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant	Johnson Co Comm Foundation Grant	Donations	Palmore Donation	Student On Line Software	Future Problem Solvers
Cash and investments - beginning	$ 643,232	$ 16,516	$ 62,864	$ 7,884	$ (264)	$ 4,154	$ 6,278	$ 4,310	$ 516	$ 206
Receipts:										
Local sources	6,931,776	-	-	-	-	-	-	-	-	-
Intermediate sources	-	188	-	-	-	-	-	-	-	-
State sources	-	-	24,476	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	226,297	-	-	-	-	-	20,875	-	-	-
Total receipts	7,158,073	188	24,476	-	-	-	20,875	-	-	-
Disbursements:										
Instruction	-	163	87,340	-	(264)	-	-	-	-	-
Support services	42,957	-	-	-	-	-	19,625	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	6,204,175	-	-	-	-	-	-	-	-	-
Total disbursements	6,247,132	163	87,340	-	(264)	-	19,625	-	-	-
Excess (deficiency) of receipts over disbursements	910,941	25	(62,864)	-	264	-	1,250	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	910,941	25	(62,864)	-	264	-	1,250	-	-	-
Cash and investments - ending	$ 1,554,173	$ 16,541	$ -	$ 7,884	$ -	$ 4,154	$ 7,528	$ 4,310	$ 516	$ 206

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	CVS/Caremark Donation WCHS	REMC-CES Outdoor Science Lab	Walmart WCHS Rhythm Masters	Lowes Toolbox for Education Grant	Hospital Donations	CPI-Wells Fargo Donation	Donation-WCHS Athletics	Warrior Santa with a Cause	Literacy Summit	Extra-Curricular Activities
Cash and investments - beginning	$ 60	$ 498	$ 352	$ 128	$ 19,279	$ 360	$ 27,335	$ 6,094	$ 9,447	$ 9,030
Receipts:										
Local sources	-	-	-	-	25,000	-	4,000	-	3,725	68,097
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	25,000	-	4,000	-	3,725	68,097
Disbursements:										
Instruction	-	-	-	-	-	-	-	4,764	841	16,991
Support services	-	-	-	-	-	-	-	-	-	18,554
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	19,209	-	1,556	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	19,209	-	1,556	4,764	841	35,545
Excess (deficiency) of receipts over disbursements	-	-	-	-	5,791	-	2,444	(4,764)	2,884	32,552
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	5,791	-	2,444	(4,764)	2,884	32,552
Cash and investments - ending	$ 60	$ 498	$ 352	$ 128	$ 25,070	$ 360	$ 29,779	$ 1,330	$ 12,331	$ 41,582

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	Miscellaneous Programs	Target Grant	Simon Youth Foundation CPA	CPR Classes	Target Grant-SWP/BES	CPA AT&T Grant-Tech Labs	Dow Greenhouse Grant	Formative Assessment	Special Education Excess Costs	Instruction Support
Cash and investments - beginning	$ 5,000	$ 12	$ 7,644	$ 2,237	$ 381	$ 1,265	$ 3,334	$ -	$ -	$ 15,743
Receipts:										
Local sources	-	-	2,303	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	80,025	91,207	42,728
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,303	-	-	-	-	80,025	91,207	42,728
Disbursements:										
Instruction	907	-	5,760	-	-	-	-	-	89,741	52,415
Support services	-	-	-	-	-	-	-	74,349	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	907	-	5,760	-	-	-	-	74,349	89,741	52,415
Excess (deficiency) of receipts over disbursements	(907)	-	(3,457)	-	-	-	-	5,676	1,466	(9,687)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(907)	-	(3,457)	-	-	-	-	5,676	1,466	(9,687)
Cash and investments - ending	$ 4,093	$ 12	$ 4,187	$ 2,237	$ 381	$ 1,265	$ 3,334	$ 5,676	$ 1,466	$ 6,056

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	NGA Grant	Title I FY 16-17	Special Ed Grant Part B 611 FY 2017
Cash and investments - beginning	$ 334,432	$ -	$ 9,489	$ 8,468	$ 24,765	$ -	$ -	$ 221	$ (151,122)	$ (420,094)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	291,972	-	47,000	34,418	6,225	195,121	-	-	-	473,403
Federal sources	-	-	-	-	-	-	-	-	632,694	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	291,972	-	47,000	34,418	6,225	195,121	-	-	632,694	473,403
Disbursements:										
Instruction	-	-	51,691	-	-	195,121	-	-	179,418	40,546
Support services	-	-	1,607	-	24,765	-	-	-	369,334	104,326
Noninstructional services	-	-	-	-	-	-	-	-	5,377	9,740
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	53,298	-	24,765	195,121	-	-	554,129	154,612
Excess (deficiency) of receipts over disbursements	291,972	-	(6,298)	34,418	(18,540)	-	-	-	78,565	318,791
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(110,073)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(110,073)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	181,899	-	(6,298)	34,418	(18,540)	-	-	-	78,565	318,791
Cash and investments - ending	$ 516,331	$ -	$ 3,191	$ 42,886	$ 6,225	$ -	$ -	$ 221	$ (72,557)	$ (101,303)

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	Special Ed Grant Part B 611 FY 2016	Special Ed Grant Part B 611 FY 2018	Special Ed Grant {Preschool} Part B 619 FY 16&17	Medicaid Reimbursement - Federal	Title II FY 15-17 & FY 16-18	Title III FY 17-19 & FY 16-18	Payroll Clearing Accounts	Totals
Cash and investments - beginning	$ -	$ -	$ (7,810)	$ (13,673)	$ (22,936)	$ (15,622)	$ 199,629	$ 20,924,837
Receipts:								
Local sources	-	-	-	-	-	-	-	31,860,801
Intermediate sources	-	-	-	-	-	-	-	188
State sources	-	646,406	24,822	-	-	-	-	44,012,319
Federal sources	-	45,474	-	-	75,788	36,919	-	2,710,305
Other receipts	-	-	-	-	-	-	10,153,146	11,105,272
Total receipts	-	691,880	24,822	-	75,788	36,919	10,153,146	89,688,885
Disbursements:								
Instruction	-	273,095	41,948	10,623	39,415	27,417	-	29,949,878
Support services	-	789,462	-	-	8,493	4,024	-	20,495,826
Noninstructional services	-	26,085	72	-	1,184	688	-	4,021,125
Facilities acquisition and construction	-	-	-	-	-	-	-	2,052,884
Debt service	-	-	-	-	-	-	-	14,095,212
Nonprogrammed charges	-	-	-	-	-	-	10,152,991	16,357,166
Total disbursements	-	1,088,642	42,020	10,623	49,092	32,129	10,152,991	86,972,091
Excess (deficiency) of receipts over disbursements	-	(396,762)	(17,198)	(10,623)	26,696	4,790	155	2,716,794
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	5,016,965
Sale of capital assets	-	-	-	-	-	-	-	6,270
Transfers in	-	-	-	24,296	-	-	-	4,064,295
Transfers out	-	-	-	-	-	-	-	(4,064,294)
Total other financing sources (uses)	-	-	-	24,296	-	-	-	5,023,236
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(396,762)	(17,198)	13,673	26,696	4,790	155	7,740,030
Cash and investments - ending	$ -	$ (396,762)	$ (25,008)	$ -	$ 3,760	$ (10,832)	$ 199,784	$ 28,664,867

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CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	$ 1,613,812	$ 616,747

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Clark-Pleasant Middle School Building Corporation	WCHS/CPMS-QSCB	$ 504,000	12/21/2009	7/15/2025
Clark-Pleasant Intermediate School Building Corporation	Clark-Pleasant Intermediate	1,605,000	9/22/2011	1/15/2027
Clark-Pleasant Community School Building Corporation-2001	WCHS/WES	2,842,000	4/26/2012	7/15/2026
Clark Pleasant 2004 School Building Corporation	Admin./Operations Center	919,000	11/20/2012	7/15/2025
Clark-Pleasant 2004 School Building Corporation	Pleasant Crossing (West)	1,704,000	9/24/2014	1/15/2028
Clark-Pleasant 1997 Building Corporation	Mortgage Refunding Bonds Series 2016	593,500	6/2/2016	12/31/2023
Clark-Pleasant Middle School Building Corporation	New Middle School	3,397,000	11/17/2016	12/31/2028
Total of annual lease payments		$ 11,564,500		

Description of Debt			
Type	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GO Bond - Stadium Project	$ 1,005,000	$ 1,010,025
General obligation bonds	GO Bond - Break-O-Day Renovation	5,000,000	1,270,834
Totals		$ 6,005,000	$ 2,280,859

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	$ 4,689,434
Infrastructure	179,989
Buildings	252,484,510
Improvements other than buildings	4,881,824
Machinery, equipment, and vehicles	10,264,376
Books and other	272,500,133
Total capital assets	$ 545,000,266

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SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Clark-Pleasant Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on the Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2016 to June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001, 2018-002, 2018-003, and 2018-004. Our opinion on the major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001, 2018-002, 2018-003, 2018-004, and 2018-005, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 9, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-17	Total Federal Awards Expended 06-30-18
Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			FY 2017	$ 310,341	$ -
			FY 2018	-	330,193
Total - School Breakfast Program				310,341	330,193
National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			FY 2017	1,473,465	-
			FY 2018	-	1,551,333
National School Lunch Program - Commodities			FY 2017	291,038	-
			FY 2018	-	283,695
Total - National School Lunch Program				1,764,503	1,835,028
Summer Food Service Program for Children	Indiana Department of Education	10.559			
Summer Food Service Program for Children			FY 2017	41,485	-
			FY 2018	-	37,905
Total - Summer Food Service Program for Children				41,485	37,905
Total - Child Nutrition Cluster				2,116,329	2,203,126
Total - Department of Agriculture				2,116,329	2,203,126
Department of Education					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I 15-16			16-4145	338,666	-
Title I 16-17			17-4145	284,805	202,364
Title I 17-18			18-4145	-	430,330
Total - Title I Grants to Local Educational Agencies				623,471	632,694
Special Education Cluster (IDEA)					
Special Education Grants to States	Indiana Department of Education	84.027			
FY 2015 Part B 611			14215-130-PN01	14,069	-
FY 2016 Part B 611			14216-130-PN01	559,606	45,474

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-17	Total Federal Awards Expended 06-30-18
FY 2017 Part B 611			14217-130-PN01	645,775	473,403
FY 2018 Part B 611			18611-130-PN01	-	646,406
Total - Special Education Grants to States				1,219,450	1,165,283
Special Education Preschool Grants	Indiana Department of Education	84.173			
FY 2015 Part B 619			45715-130-PN01	2,019	-
FY 2016 Part B 619			45716-130-PN01	5,943	10,955
FY 2017 Part B 619			45717-130-PN01	10,885	-
FY 2018 Part B 619			18619-130-PN01	-	13,868
Total - Special Education Preschool Grants				18,847	24,823
Total - Special Education Cluster (IDEA)				1,238,297	1,190,106
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III 14-16			01115-038-PN01	1,531	-
Title III 15-17			01116-039-PN01	15,014	4,112
Title III 16-18			01117-038-PN01	16,479	16,461
Title III 17-19			01118-037-PN01	-	16,346
Total - English Language Acquisition State Grants				33,024	36,919
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367			
Title II 14-16 (FY 16)			14-4145	30,307	-
Title II 15-17 (FY 17)			15-4145	26,786	42,495
Title II 16-18 (FY 18)			16-4145	-	33,293
Total - Supporting Effective Instruction State Grants				57,093	75,788
Total - Department of Education				1,951,885	1,935,507
Total federal awards expended				$ 4,068,214	$ 4,138,633

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of $750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

Name of Federal Program or Cluster	Opinion Issued
Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-002.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation had not maintain proper time and effort documentation for all employees paid from the School Lunch fund. The custodial staff had a percentage of their salaries charged to the School Lunch fund; however, no documentation supporting the percentages charged was presented for audit. Beginning January 1, 2019, which is subsequent to the audit period, custodial staff began to clock in and out separately when work for food service was provided.

The School Corporation purchased equipment with a value greater than $5,000 without obtaining approval from the Indiana Department of Education. The Indiana Department of Education National School Lunch Program Procurement Policy requires that any equipment purchases made with Child Nutrition funds exceeding $5,000 be approved by the state prior to purchase.

Context

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);

(iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;

(v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and . . .

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

2 CFR 200.33 states in part:

"*Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. . . ."

2 CFR 200.439(b)(2) states: "Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-002

Subject: Child Nutrition Cluster - Equipment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

The School Corporation purchased equipment with a value greater than $5,000 without obtaining approval from the Indiana Department of Education. The Indiana Department of Education National School Lunch Program Procurement Policy requires that any equipment purchases made with Child Nutrition funds exceeding $5,000 be approved by the state prior to purchase.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.313(a) states in part:

". . . Title must vest in the non-Federal entity subject to the following conditions:

. . . (2) Not encumber the property without approval of the Federal awarding agency or pass-through entity. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-003

Subject: Child Nutrition Cluster - Procurement
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

For three procurements tested under the micro-purchase procurement method, documentation was not available for audit to ensure that the procurement method was appropriate and provided full and open competition.

For two procurements tested under the small purchase procurement method, price or rate quotations were not obtained from an adequate number of qualified sources and we were unable to verify that the procurements provided full and open competition.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-004

Subject: School Breakfast Program, National School Lunch Program - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-004.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

The School Corporation established a single fund, the School Lunch fund, to record all activity of the food service programs. All receipts from sales, as well as prepayments, were recorded directly into the School Lunch fund. Prepayments were not recorded in a separate fund. The School Corporation established a prepayment clearing fund, fund 8400, as of January 1, 2019, which is subsequent to the audit period.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

7 CFR 225.6(e) states in part:

"*State-Sponsor Agreement*. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-005

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting, Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-003.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

Cash Management

The School Corporation did not have a system of internal controls in place to ensure that three months average expenditures were calculated for comparison to monthly cash balances and to verify that the comparison was performed.

Reporting

The School Corporation had not designed or implemented adequate policies and procedures to ensure that there was a proper segregation of duties over reporting. The Annual Financial Reports and Verification Summary Reports were prepared and submitted by the Director of Food Service with no review or oversight to ensure its accuracy.

Special Tests and Provisions - Paid Lunch Equity

The School Corporation had not designed or implemented adequate policies or procedures to ensure that there was a proper segregation of duties over the Paid Lunch Equity calculations. The Paid Lunch Equity calculations were prepared and submitted by the Director of Food Service with no review or oversight to ensure its accuracy.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the compliance requirements listed above.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
50 Center Street • Whiteland, Indiana 46184-1698 • (317)535-7579 • FAX (317)535-4931

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001 (Preparation of Schedule of Expenditures of Federal Awards)

Fiscal year in which the finding initially occurred: FY 2014-2015 & FY 2015-2016
Contact Person Responsible for Corrective Action: Patty Grabhorn, Treasurer
Contact Phone Number: 317-535-7579

Status of Audit Finding:

The Corporation Treasurer worked with the administrators of the federal grants to assist in monitoring and reviewing federal awards to verify that all awards have been accurately accounted for on the SEFA. Since this finding was brought to our attention during an audit of FY 14-16, Gateway was reopened to make the corrections to any missing federal awards and added National School Lunch Program FY 2016-2017 & FY 2017-2018.

Patty Grabhorn
(Signature)

Treasurer
(Title)

3/12/19
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002 (Federal Award Findings and Questioned Costs)

Fiscal year in which the finding initially occurred: FY 2014-2015 & FY 2015-2016
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Childres
Contact Person Responsible for Corrective Action: Kim Combs, Director of Food Service
Contact Phone Number: 317-535-7579 ext 3105

Status of Audit Finding:

The Cooperative has implemented the corrective action steps as outlined in the corrective plan. Internal Controls have been placed by having custodial staff effective January 1, 2019 using electronic time keeping software to clock in and out when servicing hours for food service. This will provide documentation for allowable costs. Implementation of applying indirect costs are currently under consideration.

Kim Combs
(Signature)

Food Service Director
(Title)

3-12-19
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003 (Cash Management)

Fiscal year in which the finding initially occurred: FY 2014-2015 & FY 2015-2016
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
Contact Person Responsible for Corrective Action: Kim Combs, Director of Food Service
Contact Phone Number: 317-535-7579 ext 3105

Status of Audit Finding:

The Director of Food Service and Treasurer will review revenue and expenditures to determine net cash resources. Director will review and monitor monthly department financial reports. Director will work with her supervisors for a list of improvements for the National School Lunch Program. The list may suggest items such as new equipment, up-scale food items, sending or providing employee training and promotional items. When it is determined by Director of excess funds exist, the Director will work with Director of Finance for spending of funds.

Kim Combs
(Signature)

Food Service Director
(Title)

3-12-19
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-004 (Material Weakness, Prepayments Not in Separate Fund)

Fiscal year in which the finding initially occurred: FY 2014-2015 & FY 2015-2016
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Childres
Contact Person Responsible for Corrective Action: Kim Combs, Director of Food Service
Contact Phone Number: 317-535-7579 ext 3105

Status of Audit Finding:

The Food & Nutrition Department under directive of Director of Food Service worked with Corporation Treasurer to implement accounting procedures for all pre-paid monies to be deposited into Fund 8400 set up by building effective January 1, 2019. The Director of Food Service will provide Corporation Treasurer monthly reports from Food & Nutrition software the amounts spent out of breakfast/lunch accounts to be transferred out of pre-paid account. Documentation will be accompany amounts for verification of Financial statements.

At the end of the school year any monies in the pre-paid account will be returned to students no longer active to their parent or guardian or any active students, monies will carry over to next school year.

Kim Combs
(Signature)

Food Service
(Title)

3-12-19
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133 Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Kim Combs
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

CPCSC was made aware of finding 2016-002 in October 2018, after the close of the 2016-18 audit period. Practices changed in January 2019 requiring the clock-in/clock-out of custodians working in the cafeteria to more effectively capture custodial expenses charged to the School Lunch fund. CPCSC is investigating the use of Indirect Cost Rate in lieu of the time reporting system currently in place.

The Director of Food Service will establish a system of internal controls to obtain approval from IDOE for equipment purchases of $5,000 or larger and supply the necessary documentation to the Business Department prior to purchasing.

Anticipated Completion Date: January 2019

Patty Grabhorn
(Signature)

Treasurer
(Title)

04/09/2019
(Date)

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CORRECTIVE ACTION PLAN

FINDING 2018-002

Contact Person Responsible for Corrective Action: Kim Combs
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Director of Food Service will establish a system of internal controls to obtain approval from IDOE for equipment purchases of $5,000 or larger and supply the necessary documentation to the Business Department prior to purchasing.

Anticipated Completion Date: June 1, 2019

Patty Grabhorn
(Signature)

Treasurer
(Title)

04/09/2019
(Date)

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CORRECTIVE ACTION PLAN

FINDING 2018-003

Contact Person Responsible for Corrective Action: Kim Combs
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Director of Food Service will establish a system of internal controls to obtain adequate number of price quote to verify procurement process provides full and open competition. This documentation will be provided to the Business Department as part of the internal control process.

Anticipated Completion Date: June 1, 2019

Patty Grabhorn
(Signature)

Treasurer
(Title)

04/09/2019
(Date)

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CORRECTIVE ACTION PLAN

FINDING 2018-004

Contact Person Responsible for Corrective Action: Kim Combs
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

CPCSC was made aware of finding 2016-004 in October 2018, after the close of the 2016-18 audit period. Practices changed in January 2019 as the corporation established a separate fund for prepayments to be recorded.

Anticipated Completion Date: January 2019

Patty Grabhorn
(Signature)

Treasurer
(Title)

04/09/19
(Date)

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CORRECTIVE ACTION PLAN

FINDING 2018-005

Contact Person Responsible for Corrective Action: Kim Combs
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

CPCSC was made aware of finding 2016-003 in October 2018, after the close of the 2016-18 audit period. Practices changed in January 2019 establishing regular meetings of Business Department staff and the Director of Food Service to discuss cash balance and a spending strategy to work towards compliance.

The Director of Food Service and Business Department have outlined additional internal controls to segregate duties within the Food Service Department to ensure proper oversight. These practices will include review of the Annual Financial Report, Verification Summary Reports, Paid Lunch Equity calculations by Site Supervisor prior to submittal and will begin with 2019 reports.

Anticipated Completion Date: January 2019

Patty Grabhorn
(Signature)

Treasurer
(Title)

04/09/2019
(Date)

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OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: http://www.in.gov/sboa/.