

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH CENTRAL PARKE
COMMUNITY SCHOOL CORPORATION
PARKE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
06/25/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vonessia Harmon	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Thomas W. Rohr	07-01-16 to 06-30-19
President of the School Board	P. Scott Ramsay	07-01-16 to 06-30-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTH CENTRAL PARKE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the North Central Parke 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 30, 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, CPA
State Examiner

May 30, 2019



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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 NORTH CENTRAL PARKE COMMUNITY
SCHOOL CORPORATION, PARKE 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 North Central Parke 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 May 30, 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, CPA
State Examiner

May 30, 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.

NORTH CENTRAL PARKE 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	Receipts	Disbursements	Other	Cash and	Receipts	Disbursements	Other	Cash and
	Investments			Financing	Investments			Financing	Investments
	07-01-16			Sources (Uses)	06-30-17			Sources (Uses)	06-30-18
General	\$ 1,606,360	\$ 8,553,505	\$ 8,654,005	\$ 1,500	\$ 1,507,360	\$ 8,540,652	\$ 8,701,809	\$ -	\$ 1,346,203
Debt Service	1,006,028	1,559,336	2,163,500	-	401,864	1,600,767	980,500	-	1,022,131
Capital Projects	3,004,265	1,616,119	1,563,503	-	3,056,881	1,917,441	1,873,757	12,190	3,112,755
School Transportation	653,785	988,361	831,211	-	810,935	985,823	829,784	-	966,974
School Bus Replacement	365,546	127,286	133,274	2,600	362,158	137,033	-	-	499,191
Rainy Day	488,463	114,000	400	-	602,063	100,000	5,083	-	696,980
Supplemental Construction Fund	259	-	-	-	259	-	-	-	259
School Lunch	100,865	534,023	552,094	-	82,794	514,879	506,349	-	91,324
Textbook Rental	97,004	153,561	175,450	-	75,115	108,050	47,445	-	135,720
Levy Excess	2,383	-	-	-	2,383	-	-	-	2,383
Joint Services and Supply - Area Vocational School	(18,193)	212,664	204,757	-	(10,286)	222,763	183,670	-	28,807
Educational License Plates	3,788	206	2,113	-	1,881	131	855	-	1,157
Early Intervention Grant	-	2,763	1,050	-	1,713	-	1,713	-	-
School Intervention and Career Counseling	-	437	437	-	-	-	-	-	-
Lilly Endowment Counselor	-	30,000	12,090	-	17,910	-	14,835	-	3,075
TR Temple Inland Donation Fund	45	-	-	-	45	-	45	-	-
Playground Equip Donations	-	-	-	-	-	997	997	-	-
NCP Shopko Donation Fund	2,024	398	2,333	-	89	-	-	-	89
Trikappa Nurse Fund	-	-	-	-	-	200	200	-	-
P/V Cattleman's FACS Meals	178	200	78	-	300	-	-	-	300
Turkey Run FACS Department	-	1,267	775	-	492	1,800	1,324	-	968
NCP Library Books	-	-	-	-	-	2,285	36	-	2,249
NCP Auto Tech Dept	-	-	-	-	-	214	211	-	3
TR Martin Drug Prevent Grant	1,021	-	486	-	535	-	140	-	395
International Paper Grant	2,304	-	881	-	1,423	-	599	-	824
RV International Paper Grant	314	2,500	307	-	2,507	6,400	2,370	-	6,537
WICF Grant- Tres Library Books	-	-	-	-	-	3,900	3,777	-	123
TR Premier Boxboard Donation	34	-	-	-	34	-	34	-	-
PATS Literacy Mini-Grant	28	-	-	-	28	766	28	-	766
RV Employee Wellness Grant	138	-	138	-	-	-	-	-	-
TR Dugdale Grant	42,708	-	9,113	-	33,595	-	12,361	-	21,234
Welfare Activities	-	-	-	-	-	3,582	-	-	3,582
Guidance Counselor Funds	-	-	-	-	-	1,148	-	-	1,148
Scholarships and Awards	1,312	-	34	-	1,278	-	1,278	-	-
PCCF Mascot, Color, Song Committ	-	-	-	-	-	500	500	-	-
PCCF The Leader in Me	2,500	-	2,473	-	27	-	27	-	-
PCCF-Tres Literacy Night	-	-	-	-	-	1,465	-	-	1,465
RES PCCF Literacy Grant	-	-	-	-	-	495	-	-	495
TR Parke Co Comm Foundation Grant	1,822	-	-	-	1,822	-	-	-	1,822
PCCF NCP Band Supplies	508	2,500	2,878	-	130	-	27	-	103

NORTH CENTRAL PARKE 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
REMC Tr Band Donation	-	-	-	-	-	2,000	-	-	2,000
RES PCCF Field Trips/Classrm	-	-	-	-	-	483	-	-	483
TR Athletic Banner Fund	634	-	-	-	634	-	277	-	357
RES Classroom Safety Grant	-	-	-	-	-	150	-	-	150
TR PCCF Attend Incent Grant	110	-	100	-	10	-	10	-	-
RES Attendance Incentive	-	-	-	-	-	65	-	-	65
Formative Assessment	4,160	15,739	19,899	-	-	14,035	14,035	-	-
NCP High Ability Grant FY 16	12,285	-	12,285	-	-	-	-	-	-
High Ability 16/17	-	29,850	25,235	-	4,615	-	4,615	-	-
High Ability	-	-	-	-	-	29,668	19,854	-	9,814
Drug Free Communities	500	-	-	-	500	-	-	-	500
Secured Schools Safety Grant	(23,698)	62,962	44,046	-	(4,782)	4,782	-	-	-
School Technology	128,580	25,738	76,450	-	77,868	35,823	36,240	-	77,451
RV School Technology Fund	-	-	-	-	-	-	-	-	-
Career and Technical Performance Grant	-	14,659	9,607	-	5,052	12,589	5,722	-	11,919
Title I 2015-2016	(41,908)	107,932	66,024	-	-	-	-	-	-
Title I 16/17	-	315,978	366,677	-	(50,699)	101,479	50,780	-	-
Title I 17/18	-	-	-	-	-	214,749	250,301	-	(35,552)
IDEA Part B 611 FY 15	(160)	839	679	-	-	-	-	-	-
IDEA Part B 611 FY 16	(105,839)	192,703	92,099	-	(5,235)	7,954	2,719	-	-
IDEA Part B 611 FY 17	-	89,748	101,477	-	(11,729)	220,271	216,540	-	(7,998)
FY18 Part B 611	-	-	-	-	-	112,684	123,016	-	(10,332)
Fed Sped Preschool 619 FY 16	(276)	2,797	2,521	-	-	-	-	-	-
Special Ed Preschool 619	-	14,133	14,583	-	(450)	498	48	-	-
Part B 619 FY18	-	-	-	-	-	13,432	13,881	-	(449)
NCP Title IIA FY14-15	(9,404)	11,196	1,792	-	-	-	-	-	-
Title IIA FY 15	(5,589)	28,800	23,211	-	-	125	125	-	-
Title IIA FY 16	-	21,857	30,628	-	(8,771)	33,224	25,630	-	(1,177)
Title IIA FY17	-	-	-	-	-	35,780	42,055	-	(6,275)
Rural & Low Income FY15	-	23,313	26,493	-	(3,180)	3,207	27	-	-
FY16 Rural & Low Income Grant	-	-	718	-	(718)	26,365	25,647	-	-
FY17 Rural and Low Income	-	-	-	-	-	15,949	18,981	-	(3,032)
School Lunch Equipment	-	-	-	-	-	20,000	20,000	-	-
Prepaid Food	4,186	171,569	170,607	-	5,148	152,656	151,678	-	6,126
Payroll Clearing Fund	1,602	2,189,081	2,178,872	-	11,811	2,088,287	2,098,751	-	1,347
Totals	<u>\$ 7,330,672</u>	<u>\$ 17,218,020</u>	<u>\$ 17,577,383</u>	<u>\$ 4,100</u>	<u>\$ 6,975,409</u>	<u>\$ 17,297,546</u>	<u>\$ 16,290,686</u>	<u>\$ 12,190</u>	<u>\$ 7,994,459</u>

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

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL 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.

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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:

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

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF 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 employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the 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) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 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

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 or 2018.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with Rockville School Building Corporation and Turkey Run School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments paid to Rockville School Building Corporation during the years 2017 and 2018 totaled \$1,773,000 and \$591,000, respectively. Lease payments paid to Turkey Run School Building Corporation during the years 2017 and 2018 totaled \$389,500 and \$388,500, respectively.

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Other Postemployment Benefit*

The School Corporation provides to eligible retirees and their spouses the following benefit: Early Retirement Incentive Plan (ERIP). Teachers that participate in ERIP would receive a payable maximum amount of \$5,000 per year over a period of 5 years. This benefit poses a liability to the School Corporation for this year and in future years. Information regarding the benefit can be obtained by contacting the School Corporation.

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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.

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 For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Supplemental Construction Fund	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,606,360	\$ 1,006,028	\$ 3,004,265	\$ 653,785	\$ 365,546	\$ 488,463	\$ 259	\$ 100,865	\$ 97,004	\$ 2,383
Receipts:										
Local sources	74,456	1,559,336	1,613,963	980,840	127,286	-	-	170,257	100,589	-
Intermediate sources	698	-	-	-	-	-	-	-	-	-
State sources	8,449,234	-	-	-	-	-	-	3,645	52,972	-
Federal sources	-	-	-	-	-	-	-	360,121	-	-
Other receipts	29,117	-	2,156	7,521	-	114,000	-	-	-	-
Total receipts	8,553,505	1,559,336	1,616,119	988,361	127,286	114,000	-	534,023	153,561	-
Disbursements:										
Instruction	5,530,198	-	-	-	-	-	-	-	-	-
Support services	2,867,826	-	1,113,641	831,211	133,274	400	-	-	175,450	-
Noninstructional services	255,981	-	-	-	-	-	-	552,094	-	-
Facilities acquisition and construction	-	-	449,862	-	-	-	-	-	-	-
Debt service	-	2,163,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,654,005	2,163,500	1,563,503	831,211	133,274	400	-	552,094	175,450	-
Excess (deficiency) of receipts over disbursements	(100,500)	(604,164)	52,616	157,150	(5,988)	113,600	-	(18,071)	(21,889)	-
Other financing sources (uses):										
Sale of capital assets	1,500	-	-	-	2,600	-	-	-	-	-
Total other financing sources (uses)	1,500	-	-	-	2,600	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(99,000)	(604,164)	52,616	157,150	(3,388)	113,600	-	(18,071)	(21,889)	-
Cash and investments - ending	\$ 1,507,360	\$ 401,864	\$ 3,056,881	\$ 810,935	\$ 362,158	\$ 602,063	\$ 259	\$ 82,794	\$ 75,115	\$ 2,383

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
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	Joint Services and Supply - Area Vocational School	Educational License Plates	Early Intervention Grant	School Intervention and Career Counseling	Lilly Endowment Counselor	TR Temple Inland Donation Fund	Playground Equip Donations	NCP Shopko Donation Fund	Trikappa Nurse Fund	P/V Cattlemen's FACS Meals
Cash and investments - beginning	\$ (18,193)	\$ 3,788	\$ -	\$ -	\$ -	\$ 45	\$ -	\$ 2,024	\$ -	\$ 178
Receipts:										
Local sources	212,664	-	-	437	30,000	-	-	398	-	-
Intermediate sources	-	206	-	-	-	-	-	-	-	-
State sources	-	-	2,763	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	200
Total receipts	212,664	206	2,763	437	30,000	-	-	398	-	200
Disbursements:										
Instruction	199,858	2,113	1,050	318	-	-	-	2,333	-	78
Support services	1,777	-	-	119	12,090	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	3,122	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	204,757	2,113	1,050	437	12,090	-	-	2,333	-	78
Excess (deficiency) of receipts over disbursements	7,907	(1,907)	1,713	-	17,910	-	-	(1,935)	-	122
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,907	(1,907)	1,713	-	17,910	-	-	(1,935)	-	122
Cash and investments - ending	\$ (10,286)	\$ 1,881	\$ 1,713	\$ -	\$ 17,910	\$ 45	\$ -	\$ 89	\$ -	\$ 300

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Turkey Run FACS Department	NCP Library Books	NCP Auto Tech Dept	TR Martin Drug Prevent Grant	International Paper Grant	RV International Paper Grant	WICF Grant- Tres Library Books	TR Premier Boxboard Donation	PATS Literacy Mini-Grant	RV Employee Wellness Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,021	\$ 2,304	\$ 314	\$ -	\$ 34	\$ 28	\$ 138
Receipts:										
Local sources	1,267	-	-	-	-	2,500	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,267	-	-	-	-	2,500	-	-	-	-
Disbursements:										
Instruction	775	-	-	-	881	307	-	-	-	-
Support services	-	-	-	486	-	-	-	-	-	138
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	775	-	-	486	881	307	-	-	-	138
Excess (deficiency) of receipts over disbursements	492	-	-	(486)	(881)	2,193	-	-	-	(138)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	492	-	-	(486)	(881)	2,193	-	-	-	(138)
Cash and investments - ending	\$ 492	\$ -	\$ -	\$ 535	\$ 1,423	\$ 2,507	\$ -	\$ 34	\$ 28	\$ -

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

	TR Dugdale Grant	Welfare Activities	Guidance Counselor Funds	Scholarships and Awards	PCCF Mascot, Color, Song Commit	PCCF The Leader in Me	PCCF-Tres Literacy Night	RES PCCF Literacy Grant	TR Parke Co Comm Foundation Grant	PCCF NCP Band Supplies
Cash and investments - beginning	\$ 42,708	\$ -	\$ -	\$ 1,312	\$ -	\$ 2,500	\$ -	\$ -	\$ 1,822	\$ 508
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,500
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	2,500
Disbursements:										
Instruction	8,119	-	-	-	-	-	-	-	-	-
Support services	994	-	-	-	-	2,473	-	-	-	2,878
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	34	-	-	-	-	-	-
Total disbursements	9,113	-	-	34	-	2,473	-	-	-	2,878
Excess (deficiency) of receipts over disbursements	(9,113)	-	-	(34)	-	(2,473)	-	-	-	(378)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,113)	-	-	(34)	-	(2,473)	-	-	-	(378)
Cash and investments - ending	\$ 33,595	\$ -	\$ -	\$ 1,278	\$ -	\$ 27	\$ -	\$ -	\$ 1,822	\$ 130

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
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	REMC Tr Band Donation	RES PCCF Field Trips/ Classrm	TR Athletic Banner Fund	RES Classroom Safety Grant	TR PCCF Attend Incent Grant	RES Attendance Incentive	Formative Assessment	NCP High Ability Grant FY 16	High Ability 16/17
Cash and investments - beginning	\$ -	\$ -	\$ 634	\$ -	\$ 110	\$ -	\$ 4,160	\$ 12,285	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	15,739	-	29,850
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	15,739	-	29,850
Disbursements:									
Instruction	-	-	-	-	100	-	-	1,511	2,672
Support services	-	-	-	-	-	-	19,899	10,774	22,563
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	100	-	19,899	12,285	25,235
Excess (deficiency) of receipts over disbursements	-	-	-	-	(100)	-	(4,160)	(12,285)	4,615
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(100)	-	(4,160)	(12,285)	4,615
Cash and investments - ending	\$ -	\$ -	\$ 634	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 4,615

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2017

	High Ability	Drug Free Communities	Secured Schools Safety Grant	School Technology	RV School Technology Fund	Career and Technical Performance Grant	Title I 2015-2016	Title I 16/17	Title I 17/18
Cash and investments - beginning	\$ -	\$ 500	\$ (23,698)	\$ 128,580	\$ -	\$ -	\$ (41,908)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	62,962	18,457	-	14,659	-	-	-
Federal sources	-	-	-	-	-	-	107,932	315,978	-
Other receipts	-	-	-	7,281	-	-	-	-	-
Total receipts	-	-	62,962	25,738	-	14,659	107,932	315,978	-
Disbursements:									
Instruction	-	-	-	-	-	-	61,848	355,569	-
Support services	-	-	-	76,450	-	-	4,176	8,926	-
Noninstructional services	-	-	-	-	-	-	-	2,182	-
Facilities acquisition and construction	-	-	44,046	-	-	9,607	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	44,046	76,450	-	9,607	66,024	366,677	-
Excess (deficiency) of receipts over disbursements	-	-	18,916	(50,712)	-	5,052	41,908	(50,699)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	18,916	(50,712)	-	5,052	41,908	(50,699)	-
Cash and investments - ending	\$ -	\$ 500	\$ (4,782)	\$ 77,868	\$ -	\$ 5,052	\$ -	\$ (50,699)	\$ -

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
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	IDEA Part B 611 FY 15	IDEA Part B 611 FY 16	IDEA Part B 611 FY 17	FY18 Part B 611	Fed Sped Preschool 619 FY 16	Special Ed Preschool 619	Part B 619 FY18	NCP Title IIA FY14-15	Title IIA FY 15
Cash and investments - beginning	\$ (160)	\$ (105,839)	\$ -	\$ -	\$ (276)	\$ -	\$ -	\$ (9,404)	\$ (5,589)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	839	192,703	89,748	-	2,795	14,133	-	11,196	28,800
Other receipts	-	-	-	-	2	-	-	-	-
Total receipts	839	192,703	89,748	-	2,797	14,133	-	11,196	28,800
Disbursements:									
Instruction	679	92,099	101,477	-	2,521	14,583	-	-	1,084
Support services	-	-	-	-	-	-	-	482	20,787
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	1,310	1,340
Total disbursements	679	92,099	101,477	-	2,521	14,583	-	1,792	23,211
Excess (deficiency) of receipts over disbursements	160	100,604	(11,729)	-	276	(450)	-	9,404	5,589
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	160	100,604	(11,729)	-	276	(450)	-	9,404	5,589
Cash and investments - ending	\$ -	\$ (5,235)	\$ (11,729)	\$ -	\$ -	\$ (450)	\$ -	\$ -	\$ -

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
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	Title IIA FY 16	Title IIA FY17	Rural & Low Income FY15	FY16 Rural & Low Income Grant	FY17 Rural and Low Income	School Lunch Equipment	Prepaid Food	Payroll Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,186	\$ 1,602	\$ 7,330,672
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,876,493
Intermediate sources	-	-	-	-	-	-	-	-	904
State sources	-	-	-	-	-	-	-	-	8,650,281
Federal sources	21,857	-	23,313	-	-	-	-	-	1,169,415
Other receipts	-	-	-	-	-	-	171,569	2,189,081	2,520,927
Total receipts	21,857	-	23,313	-	-	-	171,569	2,189,081	17,218,020
Disbursements:									
Instruction	27,036	-	-	-	-	-	-	-	6,407,209
Support services	3,592	-	26,493	718	-	-	-	-	5,337,617
Noninstructional services	-	-	-	-	-	-	-	-	810,257
Facilities acquisition and construction	-	-	-	-	-	-	-	-	506,637
Debt service	-	-	-	-	-	-	-	-	2,163,500
Nonprogrammed charges	-	-	-	-	-	-	170,607	2,178,872	2,352,163
Total disbursements	30,628	-	26,493	718	-	-	170,607	2,178,872	17,577,383
Excess (deficiency) of receipts over disbursements	(8,771)	-	(3,180)	(718)	-	-	962	10,209	(359,363)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	4,100
Total other financing sources (uses)	-	-	-	-	-	-	-	-	4,100
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,771)	-	(3,180)	(718)	-	-	962	10,209	(355,263)
Cash and investments - ending	\$ (8,771)	\$ -	\$ (3,180)	\$ (718)	\$ -	\$ -	\$ 5,148	\$ 11,811	\$ 6,975,409

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 For the Year Ended June 30, 2018

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Supplemental Construction Fund	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,507,360	\$ 401,864	\$ 3,056,881	\$ 810,935	\$ 362,158	\$ 602,063	\$ 259	\$ 82,794	\$ 75,115	\$ 2,383
Receipts:										
Local sources	112,563	1,600,767	1,859,123	977,437	137,033	-	-	150,941	54,931	-
Intermediate sources	698	-	-	-	-	-	-	-	-	-
State sources	8,411,635	-	-	-	-	-	-	3,175	53,119	-
Federal sources	-	-	-	-	-	-	-	360,763	-	-
Other receipts	15,756	-	58,318	8,386	-	100,000	-	-	-	-
Total receipts	8,540,652	1,600,767	1,917,441	985,823	137,033	100,000	-	514,879	108,050	-
Disbursements:										
Instruction	5,603,468	-	-	-	-	5,083	-	-	-	-
Support services	2,864,654	-	926,261	829,784	-	-	-	-	47,445	-
Noninstructional services	233,687	-	-	-	-	-	-	506,349	-	-
Facilities acquisition and construction	-	-	947,496	-	-	-	-	-	-	-
Debt service	-	980,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,701,809	980,500	1,873,757	829,784	-	5,083	-	506,349	47,445	-
Excess (deficiency) of receipts over disbursements	(161,157)	620,267	43,684	156,039	137,033	94,917	-	8,530	60,605	-
Other financing sources (uses):										
Sale of capital assets	-	-	12,190	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	12,190	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(161,157)	620,267	55,874	156,039	137,033	94,917	-	8,530	60,605	-
Cash and investments - ending	\$ 1,346,203	\$ 1,022,131	\$ 3,112,755	\$ 966,974	\$ 499,191	\$ 696,980	\$ 259	\$ 91,324	\$ 135,720	\$ 2,383

NORTH CENTRAL PARKE 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

	Joint Services and Supply - Area Vocational School	Educational License Plates	Early Intervention Grant	School Intervention and Career Counseling	Lilly Endowment Counselor	TR Temple Inland Donation Fund	Playground Equip Donations	NCP Shopko Donation Fund	Trikappa Nurse Fund	P/V Cattlemen's FACS Meals
Cash and investments - beginning	\$ (10,286)	\$ 1,881	\$ 1,713	\$ -	\$ 17,910	\$ 45	\$ -	\$ 89	\$ -	\$ 300
Receipts:										
Local sources	222,763	-	-	-	-	-	997	-	200	-
Intermediate sources	-	131	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	222,763	131	-	-	-	-	997	-	200	-
Disbursements:										
Instruction	182,897	855	1,713	-	-	45	-	-	-	-
Support services	773	-	-	-	14,835	-	-	-	200	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	997	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	183,670	855	1,713	-	14,835	45	997	-	200	-
Excess (deficiency) of receipts over disbursements	39,093	(724)	(1,713)	-	(14,835)	(45)	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,093	(724)	(1,713)	-	(14,835)	(45)	-	-	-	-
Cash and investments - ending	\$ 28,807	\$ 1,157	\$ -	\$ -	\$ 3,075	\$ -	\$ -	\$ 89	\$ -	\$ 300

NORTH CENTRAL PARKE 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

	Turkey Run FACS Department	NCP Library Books	NCP Auto Tech Dept	TR Martin Drug Prevent Grant	International Paper Grant	RV International Paper Grant	WICF Grant- Tres Library Books	TR Premier Boxboard Donation	PATS Literacy Mini-Grant	RV Employee Wellness Grant
Cash and investments - beginning	\$ 492	\$ -	\$ -	\$ 535	\$ 1,423	\$ 2,507	\$ -	\$ 34	\$ 28	\$ -
Receipts:										
Local sources	1,800	2,285	214	-	-	6,400	3,900	-	766	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,800	2,285	214	-	-	6,400	3,900	-	766	-
Disbursements:										
Instruction	1,324	-	211	-	599	2,370	3,777	34	28	-
Support services	-	36	-	140	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,324	36	211	140	599	2,370	3,777	34	28	-
Excess (deficiency) of receipts over disbursements	476	2,249	3	(140)	(599)	4,030	123	(34)	738	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	476	2,249	3	(140)	(599)	4,030	123	(34)	738	-
Cash and investments - ending	\$ 968	\$ 2,249	\$ 3	\$ 395	\$ 824	\$ 6,537	\$ 123	\$ -	\$ 766	\$ -

NORTH CENTRAL PARKE 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

	TR Dugdale Grant	Welfare Activities	Guidance Counselor Funds	Scholarships and Awards	PCCF Mascot, Color, Song Commit	PCCF The Leader in Me	PCCF-Tres Literacy Night	RES PCCF Literacy Grant	TR Parke Co Comm Foundation Grant	PCCF NCP Band Supplies
Cash and investments - beginning	\$ 33,595	\$ -	\$ -	\$ 1,278	\$ -	\$ 27	\$ -	\$ -	\$ 1,822	\$ 130
Receipts:										
Local sources	-	3,582	1,148	-	500	-	1,465	495	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	3,582	1,148	-	500	-	1,465	495	-	-
Disbursements:										
Instruction	10,323	-	-	-	-	-	-	-	-	-
Support services	2,038	-	-	-	500	27	-	-	-	27
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,278	-	-	-	-	-	-
Total disbursements	12,361	-	-	1,278	500	27	-	-	-	27
Excess (deficiency) of receipts over disbursements	(12,361)	3,582	1,148	(1,278)	-	(27)	1,465	495	-	(27)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,361)	3,582	1,148	(1,278)	-	(27)	1,465	495	-	(27)
Cash and investments - ending	\$ 21,234	\$ 3,582	\$ 1,148	\$ -	\$ -	\$ -	\$ 1,465	\$ 495	\$ 1,822	\$ 103

NORTH CENTRAL PARKE 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

	REMC Tr Band Donation	RES PCCF Field Trips/ Classrm	TR Athletic Banner Fund	RES Classroom Safety Grant	TR PCCF Attend Incent Grant	RES Attendance Incentive	Formative Assessment	NCP High Ability Grant FY 16	High Ability 16/17
Cash and investments - beginning	\$ -	\$ -	\$ 634	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 4,615
Receipts:									
Local sources	2,000	483	-	150	-	65	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	14,035	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	2,000	483	-	150	-	65	14,035	-	-
Disbursements:									
Instruction	-	-	-	-	10	-	-	-	1,389
Support services	-	-	277	-	-	-	14,035	-	3,226
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	277	-	10	-	14,035	-	4,615
Excess (deficiency) of receipts over disbursements	2,000	483	(277)	150	(10)	65	-	-	(4,615)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,000	483	(277)	150	(10)	65	-	-	(4,615)
Cash and investments - ending	\$ 2,000	\$ 483	\$ 357	\$ 150	\$ -	\$ 65	\$ -	\$ -	\$ -

NORTH CENTRAL PARKE 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

	High Ability	Drug Free Communities	Secured Schools Safety Grant	School Technology	RV School Technology Fund	Career and Technical Performance Grant	Title I 2015-2016	Title I 16/17	Title I 17/18
Cash and investments - beginning	\$ -	\$ 500	\$ (4,782)	\$ 77,868	\$ -	\$ 5,052	\$ -	\$ (50,699)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	29,668	-	4,782	27,609	-	12,589	-	-	-
Federal sources	-	-	-	-	-	-	-	101,479	214,749
Other receipts	-	-	-	8,214	-	-	-	-	-
Total receipts	29,668	-	4,782	35,823	-	12,589	-	101,479	214,749
Disbursements:									
Instruction	2,299	-	-	-	-	-	-	50,780	241,536
Support services	17,555	-	-	36,240	-	-	-	-	6,162
Noninstructional services	-	-	-	-	-	-	-	-	2,603
Facilities acquisition and construction	-	-	-	-	-	5,722	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	19,854	-	-	36,240	-	5,722	-	50,780	250,301
Excess (deficiency) of receipts over disbursements	9,814	-	4,782	(417)	-	6,867	-	50,699	(35,552)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,814	-	4,782	(417)	-	6,867	-	50,699	(35,552)
Cash and investments - ending	\$ 9,814	\$ 500	\$ -	\$ 77,451	\$ -	\$ 11,919	\$ -	\$ -	\$ (35,552)

NORTH CENTRAL PARKE 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

	IDEA Part B 611 FY 15	IDEA Part B 611 FY 16	IDEA Part B 611 FY 17	FY18 Part B 611	Fed Sped Preschool 619 FY 16	Special Ed Preschool 619	Part B 619 FY18	NCP Title IIA FY14-15	Title IIA FY 15
Cash and investments - beginning	\$ -	\$ (5,235)	\$ (11,729)	\$ -	\$ -	\$ (450)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	7,954	220,271	112,684	-	498	13,432	-	125
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	7,954	220,271	112,684	-	498	13,432	-	125
Disbursements:									
Instruction	-	2,719	216,540	123,016	-	48	13,881	-	-
Support services	-	-	-	-	-	-	-	-	125
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,719	216,540	123,016	-	48	13,881	-	125
Excess (deficiency) of receipts over disbursements	-	5,235	3,731	(10,332)	-	450	(449)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,235	3,731	(10,332)	-	450	(449)	-	-
Cash and investments - ending	\$ -	\$ -	\$ (7,998)	\$ (10,332)	\$ -	\$ -	\$ (449)	\$ -	\$ -

NORTH CENTRAL PARKE 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

	Title IIA FY 16	Title IIA FY17	Rural & Low Income FY15	FY16 Rural & Low Income Grant	FY17 Rural and Low Income	School Lunch Equipment	Prepaid Food	Payroll Clearing Fund	Totals
Cash and investments - beginning	\$ (8,771)	\$ -	\$ (3,180)	\$ (718)	\$ -	\$ -	\$ 5,148	\$ 11,811	\$ 6,975,409
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,142,008
Intermediate sources	-	-	-	-	-	-	-	-	829
State sources	-	-	-	-	-	-	-	-	8,556,612
Federal sources	33,224	35,780	3,207	26,365	15,949	20,000	-	-	1,166,480
Other receipts	-	-	-	-	-	-	152,656	2,088,287	2,431,617
Total receipts	33,224	35,780	3,207	26,365	15,949	20,000	152,656	2,088,287	17,297,546
Disbursements:									
Instruction	7,798	42,055	-	-	-	-	-	-	6,514,798
Support services	17,832	-	27	25,647	18,981	-	-	-	4,826,827
Noninstructional services	-	-	-	-	-	-	-	-	742,639
Facilities acquisition and construction	-	-	-	-	-	20,000	-	-	974,215
Debt service	-	-	-	-	-	-	-	-	980,500
Nonprogrammed charges	-	-	-	-	-	-	151,678	2,098,751	2,251,707
Total disbursements	25,630	42,055	27	25,647	18,981	20,000	151,678	2,098,751	16,290,686
Excess (deficiency) of receipts over disbursements	7,594	(6,275)	3,180	718	(3,032)	-	978	(10,464)	1,006,860
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	12,190
Total other financing sources (uses)	-	-	-	-	-	-	-	-	12,190
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,594	(6,275)	3,180	718	(3,032)	-	978	(10,464)	1,019,050
Cash and investments - ending	\$ (1,177)	\$ (6,275)	\$ -	\$ -	\$ (3,032)	\$ -	\$ 6,126	\$ 1,347	\$ 7,994,459

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NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,860,248</u>	<u>\$ 93,172</u>

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Rockville School Building Corporation	elementary remodel	\$ 547,000	7/15/2006	1/15/2020
Rockville School Building Corporation	high school remodel	640,000	7/15/2014	1/15/2027
Turkey Run School Building Corporation	elementary remodel	<u>389,500</u>	6/30/2015	12/31/2024
Total of annual lease payments		<u>1,576,500</u>		
Totals		<u>\$ 1,576,500</u>		

NORTH CENTRAL PARKE 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	\$ 296,530
Buildings	27,466,580
Improvements other than buildings	1,318,803
Machinery, equipment, and vehicles	2,259,269
Construction in progress	<u>1,358,876</u>
Total governmental activities	<u>32,700,058</u>
Total capital assets	<u><u>\$ 32,700,058</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE NORTH CENTRAL PARKE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the North Central Parke 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 each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are 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 each of the School Corporation's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each 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 each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 item 2018-001, that we consider to be a material weakness.

The School Corporation's response to the internal control over compliance finding 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, CPA
State Examiner

May 30, 2019

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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.

NORTH CENTRAL PARKE 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
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program					
	Indiana Department of Education	10.553	FY 2016-17	\$ 89,766	\$ -
			FY 2017-18	-	85,936
				<u>89,766</u>	<u>85,936</u>
Total - School Breakfast Program					
National School Lunch Program					
	Indiana Department of Education	10.555	FY 2016-17	270,355	-
			FY 2017-18	-	274,827
			FY 2016-17	39,134	-
			FY 2017-18	-	42,380
				<u>309,489</u>	<u>317,207</u>
Total - National School Lunch Program					
Total - Child Nutrition Cluster					
				<u>399,255</u>	<u>403,143</u>
Child Nutrition Discretionary Grants Limited Availability					
	Indiana Department of Education	10.579	FY 2017-18	-	20,000
Total - Department of Agriculture					
				<u>399,255</u>	<u>423,143</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education Grants to States					
	Indiana Department of Education	84.027	14215-140-PN01	839	-
			14216-111-PN01	192,703	7,954
			14217-111-PN01	89,748	220,271
			18611-111-PN01	-	112,684
				<u>283,290</u>	<u>340,909</u>
Total - Special Education Grants to States					

NORTH CENTRAL PARKE 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
Special Education Preschool Grants	Indiana Department of Education				
Part B Preschool 619 FY16		84.173	45716-111-PN01	2,797	-
Part B Preschool Section 619 FY17			45717-111-PN01	14,134	498
Part B Preschool Section 619 FY18			18619-111-PN01	-	13,432
Total - Special Education Preschool Grants				<u>16,931</u>	<u>13,930</u>
Total - Special Education Cluster (IDEA)				<u>300,221</u>	<u>354,839</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education				
Title I Basic Part A FY16		84.010	16-6375	107,933	-
Title I Part A Basic Grant			17-6375	315,978	101,479
Title I Basic Part A FY18			18-6375	-	214,749
Total - Title I Grants to Local Educational Agencies				<u>423,911</u>	<u>316,228</u>
Rural Education	Indiana Department of Education				
Rural & Low Income School Grant Title VI Part B Subpart 2		84.358	2015	23,313	3,207
Rural & Low Income Schools Grant Title IV Part B Subpart 2			2016	-	26,365
Rural & Low Income Schools Grant Title IV Part B Subpart 2			2017	-	15,949
Total - Rural Education				<u>23,313</u>	<u>45,521</u>
Supporting Effective Instruction State Grants	Indiana Department of Education				
Title IIA Improving Teacher Quality FY14		84.367	14-6375	11,196	-
Title IIA Improving Teacher Quality FY15			15-6375	28,800	125
Title IIA Improving Teacher Quality FY16			16-6375	21,857	33,224
Title II Part A Improving Teacher Quality			17-6375	-	35,780
Total - Supporting Effective Instruction State Grants				<u>61,853</u>	<u>69,129</u>
Total - Department of Education				<u>809,298</u>	<u>785,717</u>
Total federal awards expended				<u>\$ 1,208,553</u>	<u>\$ 1,208,860</u>

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

NORTH CENTRAL PARKE 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.

NORTH CENTRAL PARKE 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 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 programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies	Unmodified Unmodified

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: Child Nutrition Cluster - Internal Controls
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program
 CFDA Numbers: 10.553, 10.555
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016-17, FY 2017-18
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirements: Eligibility, Special Tests and Provisions - Verification
 of Free and Reduced Price Applications (NSLP)
 Audit Finding: Material Weakness

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

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

Eligibility and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation had not designed or implemented adequate internal controls to ensure that the verifications of eligibility determinations for free and reduced priced meals were accurate. The Food Service Director was responsible for all aspects of the eligibility determinations and verification of free and reduced price applications. There was no documentation of a control in place, such as an oversight, review or approval process, or other compensating control.

Context

The lack of controls was a systemic issue 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 to ensure compliance with the compliance requirements listed above.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement for Eligibility and Special Tests and Provisions - Verification of Free Reduced Price Applications (NSLP) compliance requirements.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

North Central Parke Community School Corporation

Quality Education for Every Learner

Thomas W. Rohr, Ph. D.
Superintendent

1497 E State Road 47
Marshall, IN 47859
Phone (765) 597-2750
Fax (765) 597-2755

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Vonessia Harmon, Business Manager
Contact Phone Number: 765-597-2751

Status of Audit Finding:

North Central Parke School Board has adopted a policy on 11/15/2018 in compliance with Elementary and Secondary Education Act, Part A, Subpart 1, Section 1120A in regards to Comparability of Services.

North Central Parke Schools has also implemented a system of internal controls to ensure compliance and that proper documentation is maintained. The internal controls include: 1.) a 2nd review of each Title I reporting submission & supporting documents 2.) additional Title I meetings to go over Title I regulations, reporting requirements, and supporting documentation every 6-month period, and 3.) A checklist, signed by Title I Coordinator & the Business Manager, to verify these steps have been completed.

FINDING 2016-002

Fiscal year in which the finding initially occurred: FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Vonessia Harmon, Business Manager
Contact Phone Number: 765-597-2751

Status of Audit Finding:

The North Central Parke Testing Coordinator has added the missing 3 requirements to the Testing Policies & Procedures manual, and the North Central Parke Testing Policies and Procedures manual was adopted by the North Central Parke Community School Board at our board meeting on 10/25/2018.

FINDING 2016-003

Fiscal year in which the finding initially occurred: FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Dr. Thomas Rohr, Superintendent
Contact Phone Number: 765-597-2751

Status of Audit Finding:

Dr. Thomas Rohr, Superintendent, met & discussed with the 4 building Principals regarding the proper documentation required for students being removed/transferred out of the School Corporation.

The School Principal will ensure that they have official written documentation that the student enrolled in another school or in an education program that culminates in the award of a regular High School Diploma.

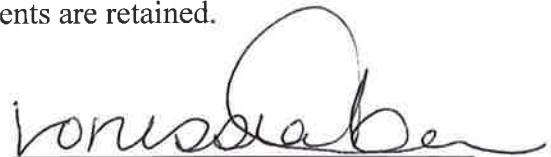
The School Guidance Counselor will review such written documentation to ensure compliance with 34 CFR 200.19(b). The School Guidance Counselor will file the documentation in the student's permanent file.

FINDING 2016-004

Fiscal year in which the finding initially occurred: FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Janet Lindley, Food Service Director
Contact Phone Number: 765-569-4192

Status of Audit Finding:

Free & Reduced notification letters generated in Harmony are also being printed and maintained in a file to ensure such supporting documents are retained.


(Signature)

Business Manager
(Title)

5-23-2019
(Date)

North Central Parke Community School Corporation
Building Bridges to the Future

Thomas W. Rohr, Ph. D.
Superintendent

1497 E State Road 47
Marshall, IN 47859
Phone (765) 597-2750
Fax (765) 597-2755

5/22/19

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Vonessia Harmon, Treasurer
Contact Phone Number: 765-597-2751

Views of Responsible Official:

We concur with the findings.

Description of Corrective Action Plan:

Our Food Service Director, Janet Lindley, was completing the verifications of eligibility for free and reduced applications and obtaining a second signature. Janet herself, however, failed to also provide her own signature; thinking that the computer print-out with time stamp under her log-in name was sufficient for audit evidence.

Effective immediately, all free and reduced verifications will be signed by the Food Service Director and a Cafeteria Site Manager.


(Signature)

Superintendent
(Title)

May 22, 2019
(Date)


(Signature)

Business manager
(Title)

5.22.2019
(Date)

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/>.