



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 11, 2023

To: The Officials of the Clinton-Prairie School Corporation
Clinton-Prairie School Corporation
2390 S County Road 450 W
Frankfort, IN 46041

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Clinton-Prairie School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditor's Report*, the financial statement referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 31 through 39. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 40 and 41.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Clinton-Prairie School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

CLINTON-PRAIRIE SCHOOL CORPORATION
Clinton County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

CLINTON-PRAIRIE SCHOOL CORPORATION
Clinton County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

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CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Mitchell Heather Lawson	07-01-20 to 09-30-21 10-01-21 to 06-30-22
Superintendent of Schools	Scott Miller	07-01-20 to 06-30-22
President of the School Board	Bobbi Elliot	07-01-20 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Clinton-Prairie School Corporation
Clinton County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Clinton-Prairie School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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 of the School Corporation as of June 30, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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.

(Continued)

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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the 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) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the financial statement.

The Schedule of Expenditures of Federal Awards 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 themselves, 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 as a whole.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 28, 2023

CLINTON PRAIRIE SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020		Other Financing Sources (Uses)		Cash and Investments 06-30-2021		Other Financing Sources (Uses)		Cash and Investments 06-30-2022	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
Education	\$ 2,044,646	\$ 8,211,082	\$ 7,060,638	\$ (1,017,474)	\$ 2,177,616	\$ 8,554,379	\$ 7,157,377	\$ (1,032,873)	\$ 2,541,745	
Debt Service	217,693	1,689,298	1,565,000	(29,747)	312,244	1,625,017	1,494,000	-	443,261	
Retirement/Sev Bond	94	414,640	328,625	(66,700)	19,409	364,376	331,000	-	52,785	
Operations	2,194,258	2,025,217	2,599,465	1,017,474	2,637,484	2,080,422	2,788,750	743,761	2,672,917	
Rainy Day	1,525,012	-	-	66,700	1,591,712	-	247,898	-	1,343,814	
Retirement/Severance Bond	-	35,453	35,453	-	-	26,193	10,914	-	15,279	
Construction Fund	-	22,681	22,681	-	-	163,033	473,850	277,525	(33,292)	
School Lunch	200,111	405,462	376,703	-	228,870	654,025	459,937	-	422,958	
Curricular Materials Rental	47,946	150,989	39,661	29,747	189,021	133,592	167,678	-	154,935	
Uw 2022 Water Filling Station	3,592	4,997	8,589	-	-	2,878	2,878	-	-	
Jacods Grant	-	-	-	-	-	181,500	45,155	-	136,345	
Nchs Resilient Grant 20-21	25,820	32,475	44,776	-	13,519	28,665	31,564	-	10,620	
Nchs Youth Suicide Prev 22-24	-	-	-	-	-	13,858	-	-	13,858	
Formative Assessment	2,356	12,820	11,290	-	3,886	15,969	13,070	-	6,785	
Medicaid Reimbursement	3,033	3,753	5,266	-	1,520	2,096	-	-	3,616	
Safety Grant 2020-21	(2,875)	3,375	34,425	-	(33,925)	33,925	-	-	-	
Early Intervention 2019	4,932	3,604	4,932	-	3,604	-	3,604	-	-	
Non-English 2020-21	-	-	5,553	-	(5,553)	8,078	2,525	-	-	
Career & Technical Performance	7,330	-	-	-	7,330	-	-	-	7,330	
Teacher Appreciation Grant	155	43,880	44,035	-	-	44,333	44,019	-	314	
High Ability 2019-20	2,243	24,656	28,045	-	(1,146)	26,890	(599)	(22,121)	4,222	
State Connectivity Grant	4,921	11,520	11,415	-	5,026	10,260	10,260	-	5,026	
Title I 2019-20	(6,915)	90,832	91,609	-	(7,692)	129,228	130,713	-	(9,177)	
Idea Special Ed 2020-21 (611)	(25,173)	279,978	268,694	-	(13,889)	272,747	266,845	-	(7,987)	
Preschool 2021-22 (619)	-	10,364	10,364	-	-	10,428	10,428	-	-	
Title Iv - 2019-20	-	5,815	5,964	-	(149)	8,335	8,186	-	-	
Medicaid Reimbursement - Federal	32,242	7,249	33,747	-	5,744	5,187	4,279	11,233	17,885	
Title Ii-A 2018-19	(225)	15,817	20,824	-	(5,232)	19,320	15,542	-	(1,454)	
Idea Arp 611	-	-	-	-	-	7,404	29,522	22,475	357	
Idea Arp 619	-	-	-	-	-	1,465	1,465	-	-	
ESSER III	-	-	-	-	-	464,510	490,103	-	(25,593)	
ESSER II	-	-	18,169	-	(18,169)	158,172	146,719	-	(6,716)	
ESSER I	(6,048)	90,276	86,871	-	(2,643)	-	(2,643)	-	-	
Prepaid School Lunch	18,849	133	2,800	-	16,182	-	660	(935)	14,587	
Payroll Clearing	44,577	1,783,242	1,777,593	-	50,226	1,903,643	1,944,174	935	10,630	
Totals	\$ 6,338,574	\$ 15,379,608	\$ 14,543,187	\$ -	\$ 7,174,995	\$ 16,949,928	\$ 16,329,873	\$ -	\$ 7,795,050	

See notes to financial statement.

CLINTON-PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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.

Temporary loans. Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 services. 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.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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.

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.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 School Corporation 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 December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

(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

The School Corporation has purchased insurance to address the risks described above.

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contain some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2021, and 2022.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a capital lease with Clinton Prairie 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 period July 1, 2020 to June 30, 2021 totaled \$1,565,000. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$1,494,000.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

CLINTON-PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Financial Report

INPRS 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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for the defined contribution component of PERF Hybrid. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid.

Teachers' Retirement Fund

Plan Descriptions

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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. (844) 464-6777

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 DB 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. These contributions are determined by the INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFIT

The School Corporation provides to eligible retirees and their spouses the following benefit: health insurance. 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.

SUPPLEMENTARY INFORMATION

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Education	Debt Service	Retirement/Sev Bond	Operations	Rainy Day	Retirement/Sever ance Bond	Construction Fund	School Lunch	Curricular Materials Rental	Uw 2022 Water Filling Station	Jacods Grant	Nchs Resilient Grant 20-21
Cash and investments - beginning	\$ 2,044,646	\$ 217,693	\$ 94	\$ 2,194,258	\$ 1,525,012	\$ -	\$ -	\$ 200,111	\$ 47,946	\$ 3,592	\$ -	\$ 25,820
Receipts:												
Local sources	67,990	1,689,298	414,640	2,025,217	-	35,453	22,681	58,901	111,469	4,997	-	-
Intermediate sources	112	-	-	-	-	-	-	-	-	-	-	-
State sources	8,142,980	-	-	-	-	-	-	4,546	39,520	-	-	32,475
Federal sources	-	-	-	-	-	-	-	342,015	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	8,211,082	1,689,298	414,640	2,025,217	-	35,453	22,681	405,462	150,989	4,997	-	32,475
Disbursements:												
Instruction	5,717,590	-	-	-	-	-	-	-	-	3,592	-	-
Support services	1,135,429	-	-	2,493,100	-	35,453	-	2,952	39,661	4,997	-	44,776
Noninstructional services	207,619	-	-	-	-	-	-	373,751	-	-	-	-
Facilities acquisition and construction	-	-	-	106,365	-	-	22,681	-	-	-	-	-
Debt services	-	1,565,000	328,625	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,060,638	1,565,000	328,625	2,599,465	-	35,453	22,681	376,703	39,661	8,589	-	44,776
Excess (deficiency) of receipts over disbursements	1,150,444	124,298	86,015	(574,248)	-	-	-	28,759	111,328	(3,592)	-	(12,301)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,017,474	66,700	-	-	-	29,747	-	-	5,327
Transfers out	(1,017,474)	(29,747)	(66,700)	-	-	-	-	-	-	-	-	(5,327)
Total other financing sources (uses)	(1,017,474)	(29,747)	(66,700)	1,017,474	66,700	-	-	-	29,747	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	132,970	94,551	19,315	443,226	66,700	-	-	28,759	141,075	(3,592)	-	(12,301)
Cash and investments - ending	\$ 2,177,616	\$ 312,244	\$ 19,409	\$ 2,637,484	\$ 1,591,712	\$ -	\$ -	\$ 228,870	\$ 189,021	\$ -	\$ -	\$ 13,519

(Continued)

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Nchs Youth Suicide Prev 22- 24	Formative Assessment	Medicaid Reimbursement	Safety Grant 2020-21	Early Intervention 2019	Non-English 2020-21	Career & Technical Performance	Teacher Appreciation Grant	High Ability 2019-20	State Connectivity Grant	Title I 2019-20	Idea Special Ed 2020-21 (611)
Cash and investments - beginning	\$ -	\$ 2,356	\$ 3,033	\$ (2,875)	\$ 4,932	\$ -	\$ 7,330	\$ 155	\$ 2,243	\$ 4,921	\$ (6,915)	\$ (25,173)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	12,820	3,753	-	3,604	-	-	43,880	24,656	11,520	-	-
Federal sources	-	-	-	3,375	-	-	-	-	-	-	90,832	279,978
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	12,820	3,753	3,375	3,604	-	-	43,880	24,656	11,520	90,832	279,978
Disbursements:												
Instruction	-	-	712	-	4,932	5,553	-	44,035	28,045	-	91,609	268,694
Support services	-	11,290	4,554	34,425	-	-	-	-	-	11,415	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	11,290	5,266	34,425	4,932	5,553	-	44,035	28,045	11,415	91,609	268,694
Excess (deficiency) of receipts over disbursements	-	1,530	(1,513)	(31,050)	(1,328)	(5,553)	-	(155)	(3,389)	105	(777)	11,284
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	-	1,530	(1,513)	(31,050)	(1,328)	(5,553)	-	(155)	(3,389)	105	(777)	11,284
Cash and investments - ending	\$ -	\$ 3,886	\$ 1,520	\$ (33,925)	\$ 3,604	\$ (5,553)	\$ 7,330	\$ -	\$ (1,146)	\$ 5,026	\$ (7,692)	\$ (13,889)

(Continued)

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Preschool 2021- 22 (619)	Title Iv - 2019-20	Medicaid Reimbursement - Federal	Title li-A 2018- 19	Idea Arp 611	Idea Arp 619	ESSER III	ESSER II	ESSER I	Prepaid School Lunch	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 32,242	\$ (225)	\$ -	\$ -	\$ -	\$ -	\$ (6,048)	\$ 18,849	\$ 44,577	\$ 6,338,574
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	4,430,646
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	112
State sources	-	-	-	-	-	-	-	-	-	-	-	8,319,754
Federal sources	10,364	5,815	7,249	15,817	-	-	-	-	90,276	-	-	845,721
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	133	1,783,242	1,783,375
Total receipts	10,364	5,815	7,249	15,817	-	-	-	-	90,276	133	1,783,242	15,379,608
Disbursements:												
Instruction	10,364	-	17,741	-	-	-	-	14,130	34,500	-	-	6,241,497
Support services	-	5,964	16,006	20,824	-	-	-	4,039	52,371	-	-	3,917,256
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	581,370
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	129,046
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,893,625
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	2,800	1,777,593	1,780,393
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,364	5,964	33,747	20,824	-	-	-	18,169	86,871	2,800	1,777,593	14,543,187
Excess (deficiency) of receipts over disbursements	-	(149)	(26,498)	(5,007)	-	-	-	(18,169)	3,405	(2,667)	5,649	836,421
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,119,248
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,119,248)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(149)	(26,498)	(5,007)	-	-	-	(18,169)	3,405	(2,667)	5,649	836,421
Cash and investments - ending	\$ -	\$ (149)	\$ 5,744	\$ (5,232)	\$ -	\$ -	\$ -	\$ (18,169)	\$ (2,643)	\$ 16,182	\$ 50,226	\$ 7,174,995

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Education	Debt Service	Retirement/Sev Bond	Operations	Rainy Day	Retirement/Sever ance Bond	Construction Fund	School Lunch	Curricular Materials Rental	Uw 2022 Water Filling Station	Jacods Grant	Nchs Resilient Grant 20-21
Cash and investments - beginning	\$ 2,177,616	\$ 312,244	\$ 19,409	\$ 2,637,484	\$ 1,591,712	\$ -	\$ -	\$ 228,870	\$ 189,021	\$ -	\$ -	\$ 13,519
Receipts:												
Local sources	110,801	1,625,017	364,376	2,076,115	-	26,193	163,033	88,233	89,766	2,878	-	-
Intermediate sources	105	-	-	-	-	-	-	-	-	-	-	-
State sources	8,443,473	-	-	-	-	-	-	5,495	43,826	-	-	28,665
Federal sources	-	-	-	-	-	-	-	560,297	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	4,307	-	-	-	-	-	-	181,500	-
Total receipts	8,554,379	1,625,017	364,376	2,080,422	-	26,193	163,033	654,025	133,592	2,878	181,500	28,665
Disbursements:												
Instruction	5,724,103	-	-	-	65,000	-	-	-	-	-	-	-
Support services	1,212,262	-	-	2,748,754	182,898	10,914	-	9,428	167,678	2,878	45,155	31,564
Noninstructional services	221,012	-	-	-	-	-	-	450,509	-	-	-	-
Facilities acquisition and construction	-	-	-	39,996	-	-	473,850	-	-	-	-	-
Debt services	-	1,494,000	331,000	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,157,377	1,494,000	331,000	2,788,750	247,898	10,914	473,850	459,937	167,678	2,878	45,155	31,564
Excess (deficiency) of receipts over disbursements	1,397,002	131,017	33,376	(708,328)	(247,898)	15,279	(310,817)	194,088	(34,086)	-	136,345	(2,899)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	322,121	-	140,000	1,043,761	440,000	-	277,525	-	-	-	-	-
Transfers out	(1,354,994)	-	(140,000)	(300,000)	(440,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,032,873)	-	-	743,761	-	-	277,525	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	364,129	131,017	33,376	35,433	(247,898)	15,279	(33,292)	194,088	(34,086)	-	136,345	(2,899)
Cash and investments - ending	\$ 2,541,745	\$ 443,261	\$ 52,785	\$ 2,672,917	\$ 1,343,814	\$ 15,279	\$ (33,292)	\$ 422,958	\$ 154,935	\$ -	\$ 136,345	\$ 10,620

(Continued)

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Nchs Youth Suicide Prev 22- 24	Formative Assessment	Medicaid Reimbursement	Safety Grant 2020-21	Early Intervention 2019	Non-English 2020-21	Career & Technical Performance	Teacher Appreciation Grant	High Ability 2019-20	State Connectivity Grant	Title I 2019-20	Idea Special Ed 2020-21 (611)
Cash and investments - beginning	\$ -	\$ 3,886	\$ 1,520	\$ (33,925)	\$ 3,604	\$ (5,553)	\$ 7,330	\$ -	\$ (1,146)	\$ 5,026	\$ (7,692)	\$ (13,889)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	13,858	15,969	2,096	33,925	-	8,078	-	44,333	26,890	10,260	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	129,228	272,747
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	13,858	15,969	2,096	33,925	-	8,078	-	44,333	26,890	10,260	129,228	272,747
Disbursements:												
Instruction	-	-	-	-	3,604	2,525	-	44,019	(599)	-	124,713	266,845
Support services	-	13,070	-	-	-	-	-	-	-	10,260	6,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,070	-	-	3,604	2,525	-	44,019	(599)	10,260	130,713	266,845
Excess (deficiency) of receipts over disbursements	13,858	2,899	2,096	33,925	(3,604)	5,553	-	314	27,489	-	(1,485)	5,902
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	11,575	-
Transfers out	-	-	-	-	-	-	-	-	(22,121)	-	(11,575)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(22,121)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,858	2,899	2,096	33,925	(3,604)	5,553	-	314	5,368	-	(1,485)	5,902
Cash and investments - ending	\$ 13,858	\$ 6,785	\$ 3,616	\$ -	\$ -	\$ -	\$ 7,330	\$ 314	\$ 4,222	\$ 5,026	\$ (9,177)	\$ (7,987)

(Continued)

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Preschool 2021- 22 (619)	Title Iv - 2019-20	Medicaid Reimbursement - Federal	Title li-A 2018- 19	Idea Arp 611	Idea Arp 619	ESSER III	ESSER II	ESSER I	Prepaid School Lunch	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (149)	\$ 5,744	\$ (5,232)	\$ -	\$ -	\$ -	\$ (18,169)	\$ (2,643)	\$ 16,182	\$ 50,226	\$ 7,174,995
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	4,546,412
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	105
State sources	-	-	-	-	-	-	-	-	-	-	-	8,676,868
Federal sources	10,428	8,335	5,187	19,320	7,404	1,465	-	158,172	-	-	-	1,172,583
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	464,510	-	-	-	1,903,643	2,553,960
Total receipts	10,428	8,335	5,187	19,320	7,404	1,465	464,510	158,172	-	-	1,903,643	16,949,928
Disbursements:												
Instruction	10,428	-	(2,489)	-	29,522	1,465	224,803	112,759	-	-	-	6,606,698
Support services	-	8,186	6,768	15,542	-	-	30,300	10,756	(2,643)	-	-	4,509,770
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	671,521
Facilities acquisition and construction	-	-	-	-	-	-	235,000	23,204	-	-	-	772,050
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,825,000
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	660	1,944,174	1,944,834
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,428	8,186	4,279	15,542	29,522	1,465	490,103	146,719	(2,643)	660	1,944,174	16,329,873
Excess (deficiency) of receipts over disbursements	-	149	908	3,778	(22,118)	-	(25,593)	11,453	2,643	(660)	(40,531)	620,055
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	450	11,233	-	22,475	-	-	-	-	-	935	2,270,075
Transfers out	-	(450)	-	-	-	-	-	-	-	(935)	-	(2,270,075)
Total other financing sources (uses)	-	-	11,233	-	22,475	-	-	-	-	(935)	935	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	149	12,141	3,778	357	-	(25,593)	11,453	2,643	(1,595)	(39,596)	620,055
Cash and investments - ending	\$ -	\$ -	\$ 17,885	\$ (1,454)	\$ 357	\$ -	\$ (25,593)	\$ (6,716)	\$ -	\$ 14,587	\$ 10,630	\$ 7,795,050

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 187,760	\$ 181,788

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Clinton Prairie Community School Building Corporation	Lease Rental - 2018 - Lighting & Roof	\$ 1,131,000	6/30/2019	12/31/2024
Clinton Prairie Community School Building Corporation	Lease Rental - 2020 - Science & Elem	<u>91,100</u>	7/15/2021	1/15/2030
Total governmental activities		<u>1,222,100</u>		
Total of annual lease payments		<u>\$ 1,222,100</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Pension Bond	<u>\$ 325,000</u>	<u>\$ 325,000</u>
Totals		<u>\$ 325,000</u>	<u>\$ 325,000</u>

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,040,000
Infrastructure	360,000
Buildings	49,603,288
Improvements other than buildings	75,234
Machinery, equipment, and vehicles	2,013,246
Construction in progress	3,370,376
Books and other	<u>6,013,575</u>
 Total governmental activities	 <u>62,475,719</u>
 Total capital assets	 <u>\$ 62,475,719</u>

CLINTON-PRAIRIE SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

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.

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/>.

Indiana Department of Education Reporting:

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 on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 6-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
School Breakfast Program						
	Indiana Department of Education					
		10.553	FY2021, FY2022	\$ 51,095	\$ 74,817	125,912
		10.555	FY2021, FY2022	290,920	520,084	811,004
		10.555	FY2021, FY2022	<u>32,234</u>	<u>48,362</u>	<u>80,596</u>
				<u>374,249</u>	<u>643,263</u>	<u>1,017,512</u>
Total - Child Nutrition Cluster						
Total - Department of Agriculture						
				<u>374,249</u>	<u>643,263</u>	<u>1,017,512</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States						
	Indiana Department of Education					
		84.027	20611-092-PN01	28,792	13,889	42,681
		84.027	21611-095-PN01	<u>251,185</u>	<u>258,858</u>	<u>510,043</u>
				<u>279,977</u>	<u>272,747</u>	<u>552,724</u>
Total - Special Education Grants to States						
Special Education Preschool						
	Indiana Department of Education					
		84.173	21619-95-PN01	10,364	10,428	20,792
		84.173	IDEA ARP 619	<u>-</u>	<u>1,465</u>	<u>1,465</u>
				<u>10,364</u>	<u>11,893</u>	<u>22,257</u>
Total - Special Education Preschool						
Total - Special Education Cluster(IDEA)						
				<u>290,341</u>	<u>284,640</u>	<u>574,981</u>
Title I Grants to Local Education Agencies						
	Indiana Department of Education					
		84.010	FY2021, FY2022	<u>90,833</u>	<u>129,228</u>	<u>220,061</u>
Total - Title I Grants to Local Educational Agencies						
				<u>90,833</u>	<u>129,228</u>	<u>220,061</u>
Title II Supporting Effective Instruction State Grants						
	Indiana Department of Education					
		84.367	S367A190013	15,187	7,868	23,055
		84.367	S367A200013	<u>-</u>	<u>11,452</u>	<u>11,452</u>
Total - Title II Supporting Effective Instruction State Grants						
				<u>15,187</u>	<u>19,320</u>	<u>34,507</u>

(Continued)

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 6-30-22
Title IV Student Support and Academic Enrichment Program Title IV Part A	Indiana Department of Education	84.424	S424A200015	\$ 5,815	\$ 8,335	\$ 14,150
Total - Title IV Student Support and Academic Enrichment Program				<u>5,815</u>	<u>8,335</u>	<u>14,150</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	-	158,172	158,172
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	90,276	-	90,276
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200013	-	464,510	464,510
Total - COVID-19 Education Stabilization Fund				<u>90,276</u>	<u>622,682</u>	<u>712,958</u>
Total - Department of Education				<u>492,452</u>	<u>1,064,205</u>	<u>1,556,657</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster Medical Assistance Program	Indiana Department of Education	93.778	FY2021, FY2022	267	5,272	5,539
Total - Department of Health and Human Services				<u>267</u>	<u>5,272</u>	<u>5,539</u>
Total federal awards expended				<u>\$ 866,968</u>	<u>\$ 1,712,740</u>	<u>2,579,708</u>

See accompanying notes to the schedule of expenditure of federal awards.

CLINTON-PRAIRIE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 to June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

A. 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 period of July 1, 2020 to June 30, 2022. 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.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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.

NOTE 2 - INDIRECT COST RATE

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 2020 to June 30, 2022.

NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

The School Corporation is a member of the Boone-Clinton-Northwest Hendricks Joint Services Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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

Those Charged with Governance
Clinton-Prairie School Corporation
Clinton County, Indiana

We have audited, in accordance with the 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 Clinton-Prairie School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 28, 2023.

Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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 financial statement. 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*.

School Corporation's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned cost. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 28, 2023

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

Those Charged with Governance
Clinton-Prairie School Corporation
Clinton County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clinton-Prairie School Corporation (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. 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.

In our opinion, the School Corporation complied, in all material respects, with the 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, 2020 to June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 item 2022-005. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

(Continued)

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-004 to be material weaknesses.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other 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.


Crowe LLP

Indianapolis, Indiana
March 28, 2023

CLINTON-PRAIRIE SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2020 to June 30, 2022

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(es) identified?	<u> X </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u> None Reported
Noncompliance material to financial statement noted?	_____	Yes	<u> X </u> No

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	<u> X </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u> None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____ No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings

FINDING 2022-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:
. . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the gross overstatement on the SEFA of \$308,728, the gross understatement of \$5,539, and the net overstatement of the total federal awards expended on the SEFA by \$303,189 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$301,717
2. Title I Part A Cluster (84.010) expenditures were overstated by \$3,331
3. Title II Part A Supporting Effective Instruction Cluster (84.367) expenditures were overstated by \$3,680
4. Medicaid Cluster (93.778) expenditures were understated by \$5,539
5. \$248,448 in the Education Stabilization Fund (84.425) expenditures were improperly labeled as Student Support and Academic Enrichment Program (84.424) expenditures.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the Context section.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

FINDING 2022-002

Subject: Preparation of the Annual Financial Report
Audit Findings: Material Weakness

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:

- . . .
- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, ..."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the AFR.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) For the period of July 1, 2020 to June 30, 2021, the School Corporation improperly excluded the Prepaid Payroll Clearing and Prepaid School Lunch funds which understated receipt and disbursement amounts by \$1,783,375 and \$1,780,393 respectively. The beginning July 1, 2020 balance of \$63,426 as improperly excluded as well. The ending cash as of June 30, 2021 in the Prepaid Payroll Clearing Fund and Prepaid School Lunch funds was \$66,408.
- 2) For the period of July 1, 2021 to June 30, 2022, the School Corporation improperly excluded the Prepaid Payroll Clearing and Prepaid School Lunch funds which understated receipt and disbursement amounts by \$1,903,643 and \$1,944,834 respectively. The ending cash as of June 30, 2022 in the Prepaid Payroll Clearing Fund and Prepaid School Lunch funds was \$25,217.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the errors identified in the Context section.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-003

Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

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

(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. . . ."

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 compliance requirements.

Cause: The School Corporation's 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. 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.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs (Continued)

Context: There were two small purchase method procurements selected for sample testing for the audit period. For the two small purchase method procurements selected for sample testing, we noted that the School Corporation did not obtain three quotes from separate vendors. One procurement was a small purchase method procurement for dairy purchases totaling \$17,110 in fiscal year 2021 and \$26,580 in fiscal year 2022. The other procurement was a small purchase method procurement for food purchases totaling \$12,738 in fiscal year 2021 and \$23,055 in fiscal year 2022. Additionally, the School Corporation did not perform a suspension and debarment check on the vendor sampled that was over \$25,000 in fiscal year 2022.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to ensure that 3 quotes are obtained as required for small purchase method procurements and to ensure the vendors are not debarred or suspended.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

Finding 2022-004

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting"

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs (Continued)

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

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 Reporting compliance requirements.

Cause: The School Corporation's 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. 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.

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER and GEER grant awards. The first report was for the period of March 13, 2020 to September 30, 2020 and was due by January 21, 2021. The second report was for the period of October 1, 2020 to June 30, 2021 and was due by May 13, 2022. We noted the amounts reported as expended, \$10,000 for ESSER I and \$0 for ESSER II, on the second report did not agree to the amounts expended per the underlying expenditure records, \$92,920 for ESSER I and \$18,169 for ESSER II, of the School Corporation.

Additionally, we noted the for both reports that were submitted, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Identification as a repeat finding: No.

Recommendation: We recommend someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2022-005

Subject: Medicaid – Eligibility, Other Matters
Federal Agency: US Department of Health and Human Services
Federal Program: Medicaid
Assistance Listing Number: 93.778
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Noncompliance

Criteria: 2 CFR section 200.303 states in part:

“The non-Federal entity must:

1. Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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)....”

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 eligibility compliance requirements that are performed by the Special Education Cooperative on behalf of the School Corporation.

Cause: The School Corporation’s 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 enabled noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system allowed noncompliance with the compliance requirements and could allow 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: Known costs amounting to \$69,312 that were reimbursed.

Context: The School Corporation participates in a Special Education Co-op. In 2015, the Co-op provided an avenue, through a third-party company, for the member school districts to obtain reimbursement for Medicaid services. It was discovered in 2021 that the annual parental disclosure statements had not been completed for Medicaid eligibility compliance. Due to this oversight, each member school had to void transactions through the third-party company and pay back the amount of these transactions for the period August 9, 2015 through April 23, 2021.

The School Corporation’s amount owed was \$69,312 for the period identified during 2015-2021. The School Corporation completed a Voluntary Self-Disclosure of Provider of Overpayments Packet through the Indiana Family & Social Services Administration’s Office of Medicaid Policy and Planning Office to reimburse the amounts owed. The amount related to this period July 1, 2020 through June 30, 2022 was indeterminable. The School Corporation remitted the amount owed in July 2021.

Identification as a repeat finding, if applicable: No

(Continued)

CLINTON-PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs (Continued)

Recommendation: We recommend the School Corporation appoint someone to oversee the Co-op and ensure the Co-op is following all required compliance requirements.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.



“United Are We In Empowering Our Students”

Scott Miller / Superintendent **Heather Lawson** / Treasurer **Lisa Myers** / Corporate Assistant

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS June 30, 2022

Finding 2022-001 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Scott Miller, Heather Lawson 765-659-1339

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Finding 2022-001 Preparation of the Schedule of Expenditures of Federal Awards - When reviewing SEFA we will have signatures here forth once reviewed. Also, we will make sure to only enter the amount awarded on the SEFA report instead of what we keyed and paid when using it as a holding place for the new/next award. We know that we should only state the awarded amount and not any transfers in/out while waiting on new funds. Medicaid cluster - was an oversight, did not realize after checking with other schools that when we have a LEA we still need to enter the amount. We thought the LEA did the entire award and from now on we will put the smaller portion once we receive back documentation from the LEA on what we need to put on the SEFA. Educations Stabilization Fund, improperly labeled - will be more cautious when purchasing one piece of equipment that totals over 5K and not the grouping over 5K

Anticipated Completion Date - June 30, 2023

Finding 2022-002 – Preparation of the Annual Financial Report

Contact Person Responsible for Corrective Action: Scott Miller, Heather Lawson
Contact Phone Number: 765-659-1339

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Finding 2022-002 Preparation of the AFR - Understand that we need to review and not enter SEFA awards at the amounts shown on our software system, only amounts awarded to not overstate. We will have a small committee to review each line of the AFR for figures - purchasing, cafe, superintendent and treasurer to all review before submitting. 3 new staff was submitting for August 2022 and this is a learning opportunity.

Anticipated Completion Date: June 30, 2023

Finding 2022-003 – Child Nutrition Cluster - Procurement and Suspension and Debarment

Contact Person Responsible for Corrective Action: Scott Miller, Jill Pollard
Contact Phone Number: 765-659-1339

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Finding 2022-003 Child Nutrition Cluster - Cafe will gather information and more bids and notate going forward.
Anticipated Completion Date: June 30, 2023

Finding 2022-004 – Education Stabilization Fund - Reporting

Contact Person Responsible for Corrective Action: Scott Miller, Heather Lawson
Contact Phone Number: 765-659-1339

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Finding 2022-004 ESSER - we do not have GEER grants - We have reviewed all files of previous Treasurer and Superintendent and did not find documentation. We will make sure going forward that documentation stays with the Grant file at all times in case of staffing changes.
Anticipated Completion Date: June 30, 2023

Finding 2022-005 –Medicaid – Eligibility

Contact Person Responsible for Corrective Action: Scott Miller, Heather Lawson
Contact Phone Number: 765-659-1339

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The School Corp switched Medicaid providers in FY22, and will monitor the new provide to ensure compliance with the federal requirements.

Anticipated Completion Date: June 30, 2023

Scott B Miller, Superintendent