



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

April 12, 2023

To: The Officials of the North Judson-San Pierre School Corporation
North Judson-San Pierre School Corporation
801 Campbell Drive
North Judson, IN 46366

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of North Judson-San Pierre 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 38 through 53. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 60 through 68.

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 North Judson-San Pierre 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

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
Starke County, Indiana

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

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
Starke County, Indiana

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

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited)	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS	5
NOTES TO FINANCIAL STATEMENT	7
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited).....	13
SCHEDULE OF PAYABLES AND RECEIVABLES (Unaudited)	25
SCHEDULE OF LEASES AND DEBT (Unaudited).....	26
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	27
STATE REPORTING INFORMATION (Unaudited)	28
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	29
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	31
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 <i>GOVERNMENT AUDITING STANDARDS</i>	32
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	34
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	37

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Guy Richie	07-01-20 to 02-28-21
	Dalton Tunis	03-01-21 to 06-30-22
Superintendent of Schools	Annette Zupin	07-01-20 to 06-30-22
President of the School Board	Derrick Stalbaum	07-01-20 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
North Judson-San Pierre School Corporation
Starke 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 North Judson-San Pierre 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.

(Continued)

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 24, 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

Indianapolis, Indiana
March 24, 2023

NORTH JUDSON-SAN PIERRE 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			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2020	Receipts	Disbursements		06-30-2021	Receipts	Disbursements		
Education	\$ 2,641,374	\$ 7,100,551	\$ 5,418,739	\$ (994,789)	\$ 3,328,397	\$ 7,301,574	\$ 5,711,506	\$ (899,812)	\$ 4,018,653
Debt Service	282,754	1,400,065	1,346,021	-	336,798	1,331,564	1,391,857	-	276,505
Retire/Sev/Bond/Debt Service	31,253	79,950	70,067	-	41,136	66,657	66,947	-	40,846
Operations	2,561,803	2,477,369	2,783,130	1,000,290	3,256,332	2,570,141	2,970,252	900,394	3,756,615
Local Rainy Day	468,814	-	-	-	468,814	-	-	-	468,814
Retirement/Severance Bond	3,032	-	-	-	3,032	-	-	-	3,032
Construction Fund	790,216	-	623,813	-	166,403	-	145,369	-	21,034
School Lunch	195,007	515,954	509,802	46	201,205	660,125	540,976	-	320,354
Textbook Rental	80,603	63,469	24,063	-	120,009	63,291	2,048	-	181,252
Educational License Plates	4,901	56	-	-	4,957	-	-	-	4,957
Donations Gifts And Trusts	-	-	-	-	-	1,000	-	-	1,000
Donations Gifts And Trusts	432	-	61	-	371	-	-	-	371
Donations Gifts And Trusts	383	-	-	-	383	-	-	-	383
Donations Gifts And Trusts	10,376	-	3,520	-	6,856	8,000	3,046	-	11,810
Donations Gifts And Trusts	1,112	-	1,112	-	-	1,000	-	-	1,000
Donations Gifts And Trusts	-	-	-	-	-	30,008	2,596	-	27,412
Extra-Curricular Activities	-	833	-	-	833	-	-	-	833
Formative Assessment 2019-2020	940	-	940	-	-	-	-	-	-
Formative Assessment Grant	-	10,000	10,000	-	-	-	-	-	-
Formative Assessment Grant	-	-	-	-	-	12,224	12,224	-	-
Medicaid Reimbursement	3,257	11,040	-	(5,211)	9,086	12,147	-	-	21,233
Non-English Speaking Program	2,114	-	-	-	2,114	-	-	-	2,114
School Technology	-	7,909	-	-	7,909	6,660	-	-	14,569
Career & Tech Performance Gran	1,107	-	-	-	1,107	-	-	-	1,107
Performance Based Awards	-	35,488	35,488	-	-	-	-	-	-
Sch. Performance Awards 20-21	-	-	-	-	-	35,280	35,280	-	-
High Ability	8,966	23,213	22,734	-	9,445	25,444	21,986	-	12,903
Technology Planning Grant	8,779	-	12,115	-	(3,336)	-	18,864	-	(22,200)
Ecf Grant	-	-	-	-	-	249,096	246,708	-	2,388
PI 103-382 Ecia Title I	(13,876)	71,927	58,051	-	-	-	6,665	-	(6,665)
PI 103-382 Ecia Title I	-	155,967	173,597	-	(17,630)	56,115	41,281	-	(2,796)
PI 103-382 Ecia Title I	-	-	-	-	-	83,469	149,979	-	(66,510)
PI 101-476 Idea	-	-	74	-	(74)	-	-	-	(74)
Special Ed Regular 2019-20	(21,763)	21,763	-	-	-	-	-	-	-
Special Ed Regular 2020-21	(4,484)	266,623	283,147	-	(21,008)	30,911	12,230	-	(2,327)
Special Ed Regular 2021-22	-	-	-	-	-	213,439	231,469	-	(18,030)
PI 99-457 Preschool Handicap	-	-	5,346	-	(5,346)	-	1,469	-	(6,815)
PI 99-457 Pre-School Handicap	-	9,620	10,632	-	(1,012)	2,520	1,508	-	-
PI 99-457 Pre-School Handicap	-	-	-	-	-	10,888	11,909	-	(1,021)
Title Iv 2019-20	-	1,072	1,072	-	-	-	-	-	-
Title Iv	-	16,537	17,381	-	(844)	2,564	1,720	-	-
Title Iv	-	-	-	-	-	9,576	10,369	-	(793)

(Continued)

NORTH JUDSON-SAN PIERRE 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	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Medicaid Reimbursement - Federal	\$ 10,853	\$ 29,232	\$ (1,899)	\$ -	\$ 41,984	\$ 31,918	\$ 18,516	\$ -	\$ 55,386
Other Federal Programs	-	-	10,487	-	(10,487)	52,525	42,098	-	(60)
Title Ii Part A Fy18	-	26	26	-	-	-	-	-	-
Title Ii Part A Fy19	(3,418)	42,110	38,692	-	-	-	-	-	-
Title Ii Part A	-	-	-	-	-	9,732	13,970	-	(4,238)
Title Ii Part A Fy 22 (Tlb3)	-	-	-	-	-	4,000	4,113	(188)	(301)
Rural & Low Income 2020-22	-	15,960	15,960	-	-	6,623	6,623	-	-
Esser Iii	-	-	-	-	-	715,219	620,909	-	94,310
Other Federal Programs	-	-	90,057	-	(90,057)	480,948	402,123	-	(11,232)
Other Federal Programs	-	174,943	183,742	-	(8,799)	25,723	16,924	-	-
Pre-Paid Meals (Clearing Acct)	14,359	70,140	70,152	-	14,347	70,663	70,866	-	14,144
Payroll Clearing	42,423	1,272,511	1,314,053	-	881	1,382,060	1,384,139	-	(1,198)
Health Insurance	(33,276)	309,382	275,408	-	698	298,457	297,316	-	1,839
Dental Insurance	(10,124)	37,370	27,177	-	69	35,379	35,004	-	444
Vision Insurance	(2,409)	5,186	2,765	-	12	4,527	4,480	-	59
Life Insurance	3,135	22,815	25,036	-	914	23,277	21,945	-	2,246
Garnishment	(160)	-	(160)	-	-	-	-	-	-
Starke United Fund	(21)	-	(21)	-	-	-	-	-	-
American Fidelity Benefits	2,143	44,600	39,647	-	7,096	38,448	37,805	-	7,739
American Fidelity Flex	(693)	11,836	11,913	-	(770)	13,976	15,362	-	(2,156)
Texas Life	(372)	11,330	10,907	-	51	10,307	10,433	-	(75)
Legal Shield	(255)	2,641	2,290	-	96	2,419	2,457	-	58
American Fidelity Hsa	(2,509)	32,369	30,850	-	(990)	32,360	31,370	-	-
Aflac	(203)	3,648	3,445	-	-	2,851	2,851	-	-
Totals	\$ 7,076,573	\$ 14,355,505	\$ 13,561,432	\$ 336	\$ 7,870,982	\$ 16,025,105	\$ 14,677,562	\$ 394	\$ 9,218,919

See notes to financial statement.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
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)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
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)

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 contains 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. Deficits in other fund balances, including the Payroll Clearing, American Fidelity Flex, Texas Life, and American Fidelity HSA funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a capital lease with the North Judson-San Pierre Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2021 and 2022, totaled \$936,000 and \$1,188,000, respectively.

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.

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)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
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.

SUPPLEMENTARY INFORMATION

NORTH JUDSON-SAN PIERRE 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	Retire/Sev/Bond/ Debt Service	Operations	Local Rainy Day	Retirement/Sever ance Bond	Construction	Construction Fund	School Lunch	Textbook Rental	Educational License Plates
Cash and investments - beginning	\$ 2,641,374	\$ 282,754	\$ 31,253	\$ 2,561,803	\$ 468,814	\$ 3,032	\$ -	\$ 790,216	\$ 195,007	\$ 80,603	\$ 4,901
Receipts:											
Local sources	37,620	1,400,065	79,950	2,477,369	-	-	-	-	71,177	20,655	-
Intermediate sources	163	-	-	-	-	-	-	-	-	-	56
State sources	7,062,768	-	-	-	-	-	-	-	3,598	42,814	-
Federal sources	-	-	-	-	-	-	-	-	441,179	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,100,551	1,400,065	79,950	2,477,369	-	-	-	-	515,954	63,469	56
Disbursements:											
Instruction	4,074,975	-	-	-	-	-	-	-	-	-	-
Support services	1,161,885	-	-	2,753,090	-	-	-	42,936	429	24,063	-
Noninstructional services	181,879	-	-	316	-	-	-	-	509,373	-	-
Facilities acquisition and construction	-	-	-	29,724	-	-	-	580,877	-	-	-
Debt services	-	1,346,021	70,067	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,418,739	1,346,021	70,067	2,783,130	-	-	-	623,813	509,802	24,063	-
Excess (deficiency) of receipts over disbursements	1,681,812	54,044	9,883	(305,761)	-	-	-	(623,813)	6,152	39,406	56
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	290	-	-	-	-	46	-	-
Transfers in	5,211	-	-	1,000,000	-	-	-	-	-	-	-
Transfers out	(1,000,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(994,789)	-	-	1,000,290	-	-	-	-	46	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	687,023	54,044	9,883	694,529	-	-	-	(623,813)	6,198	39,406	56
Cash and investments - ending	\$ 3,328,397	\$ 336,798	\$ 41,136	\$ 3,256,332	\$ 468,814	\$ 3,032	\$ -	\$ 166,403	\$ 201,205	\$ 120,009	\$ 4,957

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Extra-Curricular Activities	Formative Assessment 2019-2020	Formative Assessment Grant	Formative Assessment Grant	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 432	\$ 383	\$ 10,376	\$ 1,112	\$ -	\$ -	\$ 940	\$ -	\$ -	\$ 3,257
Receipts:											
Local sources	-	-	-	-	-	-	833	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	10,000	-	11,040
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	833	-	10,000	-	11,040
Disbursements:											
Instruction	-	61	-	2,665	-	-	-	-	-	-	-
Support services	-	-	-	855	1,112	-	-	940	10,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	61	-	3,520	1,112	-	-	940	10,000	-	-
Excess (deficiency) of receipts over disbursements	-	(61)	-	(3,520)	(1,112)	-	833	(940)	-	-	11,040
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	(5,211)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	(5,211)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(61)	-	(3,520)	(1,112)	-	833	(940)	-	-	5,829
Cash and investments - ending	\$ -	\$ 371	\$ 383	\$ 6,856	\$ -	\$ -	\$ 833	\$ -	\$ -	\$ -	\$ 9,086

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Non-English Speaking Program	School Technology	Career & Tech Performance Gran	Performance Based Awards	Sch. Performance Awards 20-21	High Ability	Technology Planning Grant	Ecf Grant	PI 103-382 Ecia Title I	PI 103-382 Ecia Title I	PI 103-382 Ecia Title I
Cash and investments - beginning	\$ 2,114	\$ -	\$ 1,107	\$ -	\$ -	\$ 8,966	\$ 8,779	\$ -	\$ (13,876)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	7,909	-	35,488	-	23,213	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	71,927	155,967	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	7,909	-	35,488	-	23,213	-	-	71,927	155,967	-
Disbursements:											
Instruction	-	-	-	35,488	-	22,512	-	-	58,051	168,516	-
Support services	-	-	-	-	-	222	12,115	-	-	5,081	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	35,488	-	22,734	12,115	-	58,051	173,597	-
Excess (deficiency) of receipts over disbursements	-	7,909	-	-	-	479	(12,115)	-	13,876	(17,630)	-
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	-	7,909	-	-	-	479	(12,115)	-	13,876	(17,630)	-
Cash and investments - ending	\$ 2,114	\$ 7,909	\$ 1,107	\$ -	\$ -	\$ 9,445	\$ (3,336)	\$ -	\$ -	\$ (17,630)	\$ -

(Continued)

NORTH JUDSON-SAN PIERRE 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

	PI 101-476 Idea	Special Ed Regular 2018-19	Special Ed Regular 2020-21	Special Ed Regular 2020-21	PI 99-457 Preschool Handicap	PI 99-457 Pre- School Handicap	PI 99-457 Pre- School Handicap	Title Iv 2019-20	Title Iv	Title Iv	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ (21,763)	\$ (4,484)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,853
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	800
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	21,763	266,623	-	-	9,620	-	1,072	16,537	-	28,432
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	21,763	266,623	-	-	9,620	-	1,072	16,537	-	29,232
Disbursements:											
Instruction	74	-	241,205	-	-	-	-	-	-	-	(8,555)
Support services	-	-	41,942	-	5,346	10,632	-	1,072	17,381	-	6,656
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	74	-	283,147	-	5,346	10,632	-	1,072	17,381	-	(1,899)
Excess (deficiency) of receipts over disbursements	(74)	21,763	(16,524)	-	(5,346)	(1,012)	-	-	(844)	-	31,131
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	(74)	21,763	(16,524)	-	(5,346)	(1,012)	-	-	(844)	-	31,131
Cash and investments - ending	\$ (74)	\$ -	\$ (21,008)	\$ -	\$ (5,346)	\$ (1,012)	\$ -	\$ -	\$ (844)	\$ -	\$ 41,984

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Other Federal Programs	Title li Part A Fy18	Title li Part A Fy19	Title li Part A	Title li Part A Fy 22 (Tlb3)	Rural & Low Income 2020-22	Essex lii	Other Federal Programs	Other Federal Programs	Pre-Paid Meals (Clearing Acct)	Payroll Clearing	Health Insurance
Cash and investments - beginning	\$ -	\$ -	\$ (3,418)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,359	\$ 42,423	\$ (33,276)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	26	42,110	-	-	15,960	-	-	174,943	70,140	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	1,272,511	309,382
Total receipts	-	26	42,110	-	-	15,960	-	-	174,943	70,140	1,272,511	309,382
Disbursements:												
Instruction	9,680	-	35,519	-	-	2,640	-	-	91,079	-	-	-
Support services	807	26	3,173	-	-	13,320	-	90,057	92,663	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	70,152	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	1,314,053	275,408
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,487	26	38,692	-	-	15,960	-	90,057	183,742	70,152	1,314,053	275,408
Excess (deficiency) of receipts over disbursements	(10,487)	-	3,418	-	-	-	-	(90,057)	(8,799)	(12)	(41,542)	33,974
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	(10,487)	-	3,418	-	-	-	-	(90,057)	(8,799)	(12)	(41,542)	33,974
Cash and investments - ending	\$ (10,487)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (90,057)	\$ (8,799)	\$ 14,347	\$ 881	\$ 698

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Dental Insurance	Vision Insurance	Life Insurance	Garnishment	Starke United Fund	American Fidelity Benefits	American Fidelity Flex	Texas Life	Legal Shield	American Fidelity Hsa	Aflac	Totals
Cash and investments - beginning	\$ (10,124)	\$ (2,409)	\$ 3,135	\$ (160)	\$ (21)	\$ 2,143	\$ (693)	\$ (372)	\$ (255)	\$ (2,509)	\$ (203)	\$ 7,076,573
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	4,088,469
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	219
State sources	-	-	-	-	-	-	-	-	-	-	-	7,196,830
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,316,299
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	37,370	5,186	22,815	-	-	44,600	11,836	11,330	2,641	32,369	3,648	1,753,688
Total receipts	37,370	5,186	22,815	-	-	44,600	11,836	11,330	2,641	32,369	3,648	14,355,505
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	4,733,910
Support services	-	-	-	-	-	-	-	-	-	-	-	4,295,803
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	761,720
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	610,601
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,416,088
Nonprogrammed charges	27,177	2,765	25,036	(160)	(21)	39,647	11,913	10,907	2,290	30,850	3,445	1,743,310
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,177	2,765	25,036	(160)	(21)	39,647	11,913	10,907	2,290	30,850	3,445	13,561,432
Excess (deficiency) of receipts over disbursements	10,193	2,421	(2,221)	160	21	4,953	(77)	423	351	1,519	203	794,073
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	336
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,005,211
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,005,211)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	336
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,193	2,421	(2,221)	160	21	4,953	(77)	423	351	1,519	203	794,409
Cash and investments - ending	\$ 69	\$ 12	\$ 914	\$ -	\$ -	\$ 7,096	\$ (770)	\$ 51	\$ 96	\$ (990)	\$ -	\$ 7,870,982

NORTH JUDSON-SAN PIERRE 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	Retire/Sev/Bond/ Debt Service	Operations	Local Rainy Day	Retirement/Sever ance Bond	Construction	Construction Fund	School Lunch	Textbook Rental	Educational License Plates
Cash and investments - beginning	\$ 3,328,397	\$ 336,798	\$ 41,136	\$ 3,256,332	\$ 468,814	\$ 3,032	\$ -	\$ 166,403	\$ 201,205	\$ 120,009	\$ 4,957
Receipts:											
Local sources	(18,779)	1,331,564	66,657	2,569,749	-	-	-	-	77,333	29,027	-
Intermediate sources	38	-	-	-	-	-	-	-	-	-	-
State sources	7,320,277	-	-	-	-	-	-	-	3,990	34,264	-
Federal sources	-	-	-	-	-	-	-	-	578,802	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	38	-	-	392	-	-	-	-	-	-	-
Total receipts	7,301,574	1,331,564	66,657	2,570,141	-	-	-	-	660,125	63,291	-
Disbursements:											
Instruction	4,215,131	-	-	-	-	-	-	-	-	-	-
Support services	1,293,153	-	-	2,936,076	-	-	145,369	-	1,208	2,048	-
Noninstructional services	203,222	-	-	-	-	-	-	-	539,768	-	-
Facilities acquisition and construction	-	-	-	34,176	-	-	-	-	-	-	-
Debt services	-	1,391,857	66,947	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,711,506	1,391,857	66,947	2,970,252	-	-	145,369	-	540,976	2,048	-
Excess (deficiency) of receipts over disbursements	1,590,068	(60,293)	(290)	(400,111)	-	-	(145,369)	-	119,149	61,243	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	394	-	-	-	-	-	-	-
Transfers in	188	-	-	900,000	-	-	-	-	-	-	-
Transfers out	(900,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(899,812)	-	-	900,394	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	690,256	(60,293)	(290)	500,283	-	-	(145,369)	-	119,149	61,243	-
Cash and investments - ending	\$ 4,018,653	\$ 276,505	\$ 40,846	\$ 3,756,615	\$ 468,814	\$ 3,032	\$ (145,369)	\$ 166,403	\$ 320,354	\$ 181,252	\$ 4,957

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Donations Gifts And Trusts	Extra-Curricular Activities	Formative Assessment 2019-2020	Formative Assessment Grant	Formative Assessment Grant	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 371	\$ 383	\$ 6,856	\$ -	\$ -	\$ 833	\$ -	\$ -	\$ -	\$ 9,086
Receipts:											
Local sources	1,000	-	-	8,000	1,000	30,008	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	12,224	12,147
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	-	-	8,000	1,000	30,008	-	-	-	12,224	12,147
Disbursements:											
Instruction	-	-	-	1,953	-	2,596	-	-	-	-	-
Support services	-	-	-	1,093	-	-	-	-	-	12,224	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	3,046	-	2,596	-	-	-	12,224	-
Excess (deficiency) of receipts over disbursements	1,000	-	-	4,954	1,000	27,412	-	-	-	-	12,147
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	1,000	-	-	4,954	1,000	27,412	-	-	-	-	12,147
Cash and investments - ending	\$ 1,000	\$ 371	\$ 383	\$ 11,810	\$ 1,000	\$ 27,412	\$ 833	\$ -	\$ -	\$ -	\$ 21,233

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Non-English Speaking Program	School Technology	Career & Tech Performance Gran	Performance Based Awards	Sch. Performance Awards 20-21	High Ability	Technology Planning Grant	Ecf Grant	PI 103-382 Ecia Title I	PI 103-382 Ecia Title I	PI 103-382 Ecia Title I
Cash and investments - beginning	\$ 2,114	\$ 7,909	\$ 1,107	\$ -	\$ -	\$ 9,445	\$ (3,336)	\$ -	\$ -	\$ (17,630)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	6,660	-	-	35,280	25,444	-	249,096	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	56,115	83,469
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	6,660	-	-	35,280	25,444	-	249,096	-	56,115	83,469
Disbursements:											
Instruction	-	-	-	-	35,280	21,986	-	-	6,665	39,305	139,067
Support services	-	-	-	-	-	-	18,864	246,708	-	1,976	10,912
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	35,280	21,986	18,864	246,708	6,665	41,281	149,979
Excess (deficiency) of receipts over disbursements	-	6,660	-	-	-	3,458	(18,864)	2,388	(6,665)	14,834	(66,510)
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	-	6,660	-	-	-	3,458	(18,864)	2,388	(6,665)	14,834	(66,510)
Cash and investments - ending	\$ 2,114	\$ 14,569	\$ 1,107	\$ -	\$ -	\$ 12,903	\$ (22,200)	\$ 2,388	\$ (6,665)	\$ (2,796)	\$ (66,510)

(Continued)

NORTH JUDSON-SAN PIERRE 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

	PI 101-476 Idea	Special Ed Regular 2018-19	Special Ed Regular 2020-21	Special Ed Regular 2020-21	PI 99-457 Preschool Handicap	PI 99-457 Pre- School Handicap	PI 99-457 Pre- School Handicap	Title Iv 2019-20	Title Iv	Title Iv	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ (74)	\$ -	\$ (21,008)	\$ -	\$ (5,346)	\$ (1,012)	\$ -	\$ -	\$ (844)	\$ -	\$ 41,984
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	31
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	30,911	213,439	-	2,520	10,888	-	2,564	9,576	31,887
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	30,911	213,439	-	2,520	10,888	-	2,564	9,576	31,918
Disbursements:											
Instruction	-	-	5,281	193,306	-	-	-	-	-	-	9,282
Support services	-	-	6,949	38,163	1,469	1,508	11,909	-	1,720	10,369	9,234
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	12,230	231,469	1,469	1,508	11,909	-	1,720	10,369	18,516
Excess (deficiency) of receipts over disbursements	-	-	18,681	(18,030)	(1,469)	1,012	(1,021)	-	844	(793)	13,402
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	-	-	18,681	(18,030)	(1,469)	1,012	(1,021)	-	844	(793)	13,402
Cash and investments - ending	\$ (74)	\$ -	\$ (2,327)	\$ (18,030)	\$ (6,815)	\$ -	\$ (1,021)	\$ -	\$ -	\$ (793)	\$ 55,386

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Other Federal Programs	Title li Part A Fy18	Title li Part A Fy19	Title li Part A	Title li Part A Fy 22 (Tlb3)	Rural & Low Income 2020-22	Esser lii	Other Federal Programs	Other Federal Programs	Pre-Paid Meals (Clearing Acct)	Payroll Clearing	Health Insurance
Cash and investments - beginning	\$ (10,487)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (90,057)	\$ (8,799)	\$ 14,347	\$ 881	\$ 698
Receipts:												
Local sources	-	-	-	-	-	-	106,755	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	52,525	-	-	9,732	4,000	6,623	608,464	480,948	25,723	70,663	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	1,382,060	298,457
Total receipts	52,525	-	-	9,732	4,000	6,623	715,219	480,948	25,723	70,663	1,382,060	298,457
Disbursements:												
Instruction	36,939	-	-	13,759	4,113	-	193,623	37,041	6,085	-	-	-
Support services	5,159	-	-	211	-	6,623	354,647	365,082	10,839	-	-	-
Noninstructional services	-	-	-	-	-	-	17,881	-	-	70,866	-	-
Facilities acquisition and construction	-	-	-	-	-	-	54,758	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	1,384,139	297,316
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	42,098	-	-	13,970	4,113	6,623	620,909	402,123	16,924	70,866	1,384,139	297,316
Excess (deficiency) of receipts over disbursements	10,427	-	-	(4,238)	(113)	-	94,310	78,825	8,799	(203)	(2,079)	1,141
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(188)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(188)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,427	-	-	(4,238)	(301)	-	94,310	78,825	8,799	(203)	(2,079)	1,141
Cash and investments - ending	\$ (60)	\$ -	\$ -	\$ (4,238)	\$ (301)	\$ -	\$ 94,310	\$ (11,232)	\$ -	\$ 14,144	\$ (1,198)	\$ 1,839

(Continued)

NORTH JUDSON-SAN PIERRE 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

	Dental Insurance	Vision Insurance	Life Insurance	Garnishment	Starke United Fund	American Fidelity Benefits	American Fidelity Flex	Texas Life	Legal Shield	American Fidelity Hsa	Aflac	Totals
Cash and investments - beginning	\$ 69	\$ 12	\$ 914	\$ -	\$ -	\$ 7,096	\$ (770)	\$ 51	\$ 96	\$ (990)	\$ -	\$ 7,870,982
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	4,202,345
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	38
State sources	-	-	-	-	-	-	-	-	-	-	-	7,699,382
Federal sources	-	-	-	-	-	-	-	-	-	-	-	2,278,849
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	35,379	4,527	23,277	-	-	38,448	13,976	10,307	2,419	32,360	2,851	1,844,491
Total receipts	35,379	4,527	23,277	-	-	38,448	13,976	10,307	2,419	32,360	2,851	16,025,105
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	4,961,412
Support services	-	-	-	-	-	-	-	-	-	-	-	5,493,513
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	831,737
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	88,934
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,458,804
Nonprogrammed charges	35,004	4,480	21,945	-	-	37,805	15,362	10,433	2,457	31,370	2,851	1,843,162
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	35,004	4,480	21,945	-	-	37,805	15,362	10,433	2,457	31,370	2,851	14,677,562
Excess (deficiency) of receipts over disbursements	375	47	1,332	-	-	643	(1,386)	(126)	(38)	990	-	1,347,543
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	394
Transfers in	-	-	-	-	-	-	-	-	-	-	-	900,188
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(900,188)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	394
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	375	47	1,332	-	-	643	(1,386)	(126)	(38)	990	-	1,347,937
Cash and investments - ending	\$ 444	\$ 59	\$ 2,246	\$ -	\$ -	\$ 7,739	\$ (2,156)	\$ (75)	\$ 58	\$ -	\$ -	\$ 9,218,919

NORTH JUDSON-SAN PIERRE 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	\$ <u>356,399</u>	\$ <u>1,432,131</u>

NORTH JUDSON-SAN PIERRE 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:				
North Judson-San Pierre Multi-School Building Corporation	LR Bond of 2017	\$ 935,000	6/30/2018	12/31/2024
North Judson-San Pierre Multi-School Building Corporation	LR Bond of 2021	<u>445,500</u>	6/30/2022	12/31/2037
Totals		<u>\$ 1,380,500</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/Severance Bond	\$ 308,199	\$ 68,794
Totals		<u>\$ 308,199</u>	<u>\$ 68,794</u>

NORTH JUDSON-SAN PIERRE 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	\$ 226,450
Infrastructure	1,284,550
Buildings	22,512,206
Improvements other than buildings	1,034,871
Machinery, equipment, and vehicles	<u>3,522,582</u>
Total governmental activities	<u>28,580,659</u>
Total capital assets	<u>\$ 28,580,659</u>

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
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.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2021 and 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 7/1/2020 to 6-30-2022
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 102,694	\$ 114,840	\$ 217,534
National School Lunch Program		10.555	FY2021, FY2022	337,585	458,998	796,583
Commodities		10.555	FY2021, FY2022	49,162	58,239	107,401
Summer Food Service Program for Children		10.559	FY2021, FY2022	900	4,350	5,250
Total - Child Nutrition Cluster				<u>490,341</u>	<u>636,427</u>	<u>1,126,768</u>
Total - Department of Agriculture				<u>490,341</u>	<u>636,427</u>	<u>1,126,768</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	20611-109-PN01	21,763	-	21,763
IDEA, Part B		84.027	21611-109-PN01	266,623	30,911	297,534
IDEA, Part B		84.027	22611-109-PN01	-	213,439	213,439
Total - Special Education Grants to States				<u>288,386</u>	<u>244,350</u>	<u>532,736</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-109-PN01	9,620	2,520	12,140
IDEA, Preschool		84.173	22619-109-PN01	-	10,888	10,888
Total - Special Education Preschool Grants				<u>9,620</u>	<u>13,408</u>	<u>23,028</u>
Total - Special Education Cluster (IDEA)				<u>298,006</u>	<u>257,758</u>	<u>555,764</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A19014	71,927	-	71,927
Title I, Part A		84.010	S010A20014	155,967	56,115	212,082
Title I, Part A		84.010	S010A21014	-	83,469	83,469
Total - Title I Grants to Local Educational Agencies				<u>227,894</u>	<u>139,584</u>	<u>367,478</u>
Rural Education	Indiana Department of Education					
REAP 2020-2021		84.358	S424A200015	15,960	6,623	22,583

(Continued)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 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 7/1/2020 to 6-30-2022
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	\$ 26	\$ -	\$ 26
Title II, Part A		84.367	S367A190013	42,110	-	42,110
Title II, Part A		84.367	S367A200013	-	52,525	52,525
Title II, Part A		84.367	S367A210013	-	9,732	9,732
Title II, Part A		84.367	FY2022	-	4,000	4,000
				<u>42,136</u>	<u>66,257</u>	<u>108,393</u>
Total - Supporting Effective Instruction State Grants						
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	1,072	-	1,072
Title IV, Part A		84.424	S424A200015	16,537	2,564	19,101
Title IV, Part A		84.424	S424A210015	-	9,576	9,576
				<u>17,609</u>	<u>12,140</u>	<u>29,749</u>
Total - Student Support and Academic Enrichment Program						
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	174,943	25,723	200,666
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	-	480,948	480,948
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200013	-	608,464	608,464
				<u>174,943</u>	<u>1,115,135</u>	<u>1,290,078</u>
Total - COVID-19 - Education Stabilization Fund						
				<u>776,548</u>	<u>1,597,497</u>	<u>2,374,045</u>
Total - Department of Education						
				<u>776,548</u>	<u>1,597,497</u>	<u>2,374,045</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2021, FY2022	28,432	31,887	60,319
				<u>28,432</u>	<u>31,887</u>	<u>60,319</u>
Total - Department of Health and Human Services						
				<u>28,432</u>	<u>31,887</u>	<u>60,319</u>
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FY2022	-	11,217	11,217
				<u>-</u>	<u>11,217</u>	<u>11,217</u>
Total - Department of Homeland Security						
				<u>-</u>	<u>11,217</u>	<u>11,217</u>
Total federal awards expended				<u>\$ 1,295,321</u>	<u>\$ 2,277,028</u>	<u>\$ 3,572,349</u>

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

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATON
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.

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
North Judson-San Pierre School Corporation
Starke 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 North Judson-San Pierre 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 24, 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, 2022-002, and 2022-003 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*.

Management'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

Indianapolis, Indiana
March 24, 2023

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

Those Charged with Governance
North Judson-San Pierre School Corporation
Starke County, Indiana

Report on Compliance for Each Major Federal Program***Qualified and Unmodified Opinions***

We have audited the School Corporation's 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.

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund for the period of July 1, 2020 to June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2020 to June 30, 2022.

Basis for Qualified and Unmodified Opinions

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.

(Continued)

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.

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding the Education Stabilization Fund as described in finding numbers 2022-005 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles; 2022-006 for Equipment and Real Property Management; and 2022-007 for Reporting. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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.

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.

(Continued)

Other Matters

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.

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 2022-004, 2022-005, 2022-006, 2022-007, 2022-008, and 2022-009 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
Crowe LLP

Indianapolis, Indiana
March 24, 2023

NORTH JUDSON-SAN PIERRE 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	Qualified as to Education Stabilization Fund; Unmodified as to each of the other major federal programs		
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, 10.559	Child Nutrition Cluster
84.425D, 84.425DU	COVID-19 - Education Stabilization Fund
84.027, 84.173	Special Education Cluster (IDEA)

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
--	-------	-----	--------------	----

(Continued)

NORTH JUDSON-SAN PIERRE 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 Annual Financial Report
Audit Finding: Material Weakness

Criteria: The Indiana State Board of Accounts 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. For fiscal year 2021, it was the first year the AFR was required to be prepared directly by the School Corporation instead of from semi-annual findings with Indiana Department of Education. There was not an appropriate review of the activity posted on the AFR.

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:

(Continued)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-001 (Continued)

1. The beginning cash balance at July 1, 2020 reported in Gateway was overstated by \$3,465 compared to the audited balance from the prior report.
2. For the period of July 1, 2020 through June 30, 2021, disbursements and receipts for clearing funds were understated by \$676,108 and \$106,426, respectively. The net impact on cash and investment balances reported in Gateway as of June 30, 2021 was an overstatement of \$569,682.

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 could remain undetected.

Identification as a repeat finding: Yes, see Finding 2020-002

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 funds ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statements agree to the supporting ledger fund detail.

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 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. . . .

(Continued)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-002 (Continued)

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.

(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 CFDA number or other identifying number when the CFDA 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).

(Continued)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-002 (Continued)

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 on the SEFA for the period of July 1, 2020, through June 30, 2022:

1. The COVID-19 – Elementary and Secondary School Emergency Relief (ESSER I 84.425D) Fund was omitted for both 2020-2021 and 2021-2022, which understated expenditures by \$200,666 during the audit period
2. Several additional grants had individually immaterial errors that resulted in understated expenditures of \$27,203
3. Other errors included incorrect cluster names, program names, pass-through entities, and identifying numbers

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.

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. This review should include a detailed tie out to federal receipts recorded within the funds ledger and non-financial information reported on the SEFA including Assistance Listing Numbers, Pass-Through Entity, and Pass-Through Numbers.

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

FINDING 2022-003

Subject: Financial Statement Transactions
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:

(Continued)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-003 (Continued)

"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. . . ."

Condition: There were deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not designed or implemented effective internal controls related to payroll and fringe benefit disbursements.

Cause: Management of the School Corporation had not established a proper system of internal controls over financial transactions.

Context: The School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. In March 2021, the Treasurer implemented a review of the payroll distribution report, which is broken out by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-2021 year.

Effect: The failure to establish and implement an effective internal control system over payroll could have enabled misstatements or irregularities to remain undetected.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-001

Recommendation: We recommended management continue to document controls surrounding payroll disbursement through review of the payroll distribution report each pay period.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding and has implemented their corrective action plan.

(Continued)

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-004

Subject: Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
Assistance Listing Number: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness

Criteria: 2 CFR 200.303 states in part: "The non-Federal entity must:

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

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . .

2 CFR 200.430(i) states in part:

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

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-004 (Continued)

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

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Cause: The School Corporation's management had not designed or implemented internal controls which would have ensured compliance with the compliance requirements listed above.

Effect: The failure to establish an effective internal control system could enable material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirements listed above could have resulted in the loss of funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation had not designed or implemented adequate internal controls to ensure that payroll disbursements were only for food service-related services. Payroll disbursements comprise approximately 45% of the program costs charged to the Child Nutrition Cluster.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. The reports did not list the employees who were paid from the fund. In March 2021, the Treasurer implemented a review of the payroll distribution report, which is broken out by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-21 year.

Additionally, payroll disbursements for custodial employees were allocated to the Child Nutrition Cluster based on a percentage of the custodial employees’ salaries. However, there were no time and effort logs or other documentation maintained to support the percentage of the custodial salaries allocated to the Child Nutrition Cluster. The custodial salaries make up approximately 3% of the total payroll disbursements charged to the Child Nutrition Cluster. This was an issue throughout the audit period.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-004

Recommendation: We recommended that management continue to document controls surrounding payroll disbursement through review of the payroll distribution report each pay period. Additionally, we recommended that the School maintain written documentation supporting the portion of salaries paid from the School Lunch fund for custodial personnel.

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

(Continued)

NORTH JUDSON-SAN PIERRE 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: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U200013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Material Noncompliance

Criteria: 2 CFR 200.303 states in part: "The non-Federal entity must:

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

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (c) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (d) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (h) Be adequately documented. . . .

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Cause:

(a) The School Corporation planned to utilize a portion of the grant funds for chiller repairs and included the costs in the award budget. The School Corporation subsequently also received insurance proceeds for a portion of the repair costs.

(b) The School Corporation's management had not designed or implemented internal controls over payroll disbursements which would have ensured compliance with the compliance requirements listed above.

(Continued)

NORTH JUDSON-SAN PIERRE 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 (Continued)

Effect:

(a) The School Corporation received a grant payment for expenses that were subsequently also recovered from insurance proceeds. Therefore, the school has overdrawn ARP ESSER funds by that amount. Noncompliance with the grant agreement and the compliance requirements could result in the future loss of funds to the School Corporation.

(b) The failure to establish an effective internal control system over payroll disbursements could enable material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirements listed above could have resulted in the loss of funds to the School Corporation.

Questioned Costs: Known questioned costs of \$106,755 were identified.

Context:

(a) During allowable cost testing for vendor disbursements, we noted a portion of ARP ESSER funds were utilized to repair the chiller at the middle and high schools. The School Corporation incurred a total of approximately \$284,000 in chiller repair costs between September 2021 and May 2022 and requested reimbursement for those expenditures from ARP ESSER funds in full. In October 2021, the School Corporation received an insurance claim check in the amount of \$106,755 to cover a portion of the repair costs. The School Corporation did not deduct the amount received through insurance from the amount requested for reimbursement from federal funds, resulting in an overpayment of federal funds during the audit period.

(b) Additionally, the School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements. Payroll disbursements make up approximately 45% of the program costs charged to the Education Stabilization Fund.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. The reports did not list the employees who were paid from the fund. In March 2021, the Treasurer implemented a review of the payroll distribution report, which is broken out by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-2021 year.

Identification as a repeat finding, if applicable: No

Recommendation:

(a) We recommend management ensure any insurance proceeds or non-federal sources of funding are applied first to costs incurred before charging the costs to federal awards.

(b) We recommend management continue to document controls surrounding payroll disbursement through review of the payroll distribution report each pay period.

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

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-006

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness

Criteria: 2 CFR 200.303 states in part:

“The non-Federal entity must:

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

2 CFR 200.313(d) states in part:

"(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. . . . “

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 Equipment and Real Property Management compliance requirement.

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

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement could have resulted in the loss of federal funds to the School Corporation.

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-006 (Continued)

Questioned Costs: There were no questioned costs identified.

Context: 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 Equipment and Real Property Management.

The School paid for chiller repairs and purchased a new air conditioning unit using education stabilization funds. These capital improvements were not added to a detailed listing of capital assets that would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and the use and condition of the property. In addition, a physical inventory had not been taken in the past two years.

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

Identification as a repeat finding: No.

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

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

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-007

Subject: COVID-19 – Education Stabilization Fund – Reporting
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013
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"

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.

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-007 (Continued)

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 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.

The amounts reported as expended on the second report did not agree to the underlying expenditure records of the School Corporation. Per discussion with the Treasurer, the amounts reported on the second report were the appropriated amounts, not the actual amounts expended during the period. Therefore, the amounts on the report were overstated by approximately 25% for ESSER I and 280% for ESSER II compared to the correct amounts on the School Corporation's records.

Additionally, 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 recommended 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.

FINDING 2022-008

Subject: Special Education Cluster (IDEA) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Special Education Grants to States, Special Education Preschool Grants

Assistance Listing Number: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 20611-109-PN01, 21611-109-PN01, 21619-109-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness

Criteria: 2 CFR 200.303 states in part: "The non-Federal entity must:

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

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-008 (Continued)

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (e) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (f) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (i) Be adequately documented. . . .

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Cause: The School Corporation's management had not designed or implemented internal controls which would have ensured compliance with the compliance requirements listed above.

Effect: The failure to establish an effective internal control system could enable material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirements listed above could have resulted in the loss of funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements. Payroll disbursements make up 100% of the program costs charged to the Special Education grants.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. The reports did not list the employees who were paid from the fund. In March 2021, the Treasurer implemented a review of the payroll distribution report by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-2021 year.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-006

Recommendation: We recommended management continue to document controls surrounding payroll disbursement through review of the payroll distribution report each pay period.

Views of Responsible Officials: Management agrees with the finding and has implemented their corrective action plan.

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-009

Subject: Special Education Cluster (IDEA) – Earmarking
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
Assistance Listing Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 20611-109-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Findings: Material Weakness

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools and facilities, must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools or facilities within its boundaries, is to the total number of students with disabilities of the same age range."

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

Cause: The School Corporation had not established an effective system of internal controls that would have ensured compliance with the grant agreement and the compliance requirements listed above.

Effect: The School did not comply with the earmarking requirements of the compliance requirements listed above. Noncompliance with the grant agreement and the compliance requirements listed above could have resulted in the loss of funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: A proportionate share of special education funds was earmarked to the local private school. The School Corporation could not provide support to substantiate that non-public services were provided. For the special education grant awards that were fully expended during the audit period, the School Corporation did not expend the minimum required amount on services for non-public students with disabilities.

(Continued)

NORTH JUDSON-SAN PIERRE 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 2022-009 (Continued)

Identification as a repeat finding: Yes, see Finding 2020-005

Recommendation: We recommended the School Corporation's management establish a system of internal controls and maintain adequate supporting documentation to ensure compliance with the grant agreement and the Earmarking compliance requirements. In addition, we recommended the School Corporation improve communication with the local private school to ensure the proportionate share is fully expended, or a waiver with adequate documentation is filed.

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



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Subject: Financial Transactions
Audit Finding: Material Weakness

Condition and Context:

There were deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not designed or implemented effective internal controls related to receipts and payroll and fringe benefit disbursements.

Receipts

One employee was responsible for entering the receipts into the accounting system. There was no documentation of a review or oversight process in place after the receipts had been entered into the accounting system to ensure receipts were posted for the correct amount and to the proper fund.

Disbursements - Payroll and Fringe Benefits

The School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements.

Fringe benefit invoices were included on the Accounts Payable Voucher (APV) register submitted to the School Board and Treasurer for review and approval. However, the APV register only provided a total of the amounts paid from each fund.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund.

An adequate review or oversight process had not been designed or implemented to ensure the accuracy and proper classification of the payroll and fringe benefit disbursements, by employee, to the correct fund and account. The lack of internal controls was a systemic issue throughout the audit period.

Status:

The section of the finding relating to receipts has been resolved. The section of the finding relating to payroll and fringe benefit disbursements was recurring for the audit period – see Finding 2022-003.



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2020-002

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

Condition and Context:

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit included the following errors:

1. The School Breakfast Program was omitted for fiscal year 2018-2019, which understated expenditures by \$80,392.
2. The National School Lunch Program was omitted for 2018-2019, which understated expenditures by \$258,610.
3. Commodities for the National School Lunch Program were omitted for both 2018-2019 and 2019-2020, which understated expenditures by \$81,142.
4. The Special Education Grants to State was omitted for 2018-2019, which understated expenditures by \$78,873.
5. The Medical Assistance Program was omitted for both 2018-2019 and 2019-2020, which understated expenditures by \$48,587.
6. Several additional grants had individually immaterial errors that resulted in understated expenditures of \$124,615 in total.
7. Other errors included incorrect federal grantor agency names, cluster names, program names, pass-through entities, and identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Status:

This finding was recurring for the audit period – see Finding 2022-002.



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2020-003

Subject: Child Nutrition Cluster - Eligibility and Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, COVID-19 School Breakfast Program, National School Lunch Program, COVID-19 National School Lunch Program, Summer Food Service Program for Children, COVID-19 Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018-2019, FY 2019-2020
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility, Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Condition and Context:

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

Eligibility

One employee entered the direct certified students into the food service software system without any evidence of an oversight, review, or approval process to ensure all direct certified students were entered correctly.

Special Tests and Provisions - Paid Lunch Equity

The School Corporation implemented a review process for the paid lunch equity calculation; however, no documentation of the review was available for audit. The lack of internal controls was a systemic issue throughout the audit period.

Status:

These compliance requirements were not applicable to the Child Nutrition Cluster major program for the audit period, therefore they were not tested during the audit period.



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2020-004

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 School Breakfast Program, National School Lunch Program, COVID-19 National School Lunch Program, Summer Food Service Program for Children, COVID-19 Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018-2019, FY 2019-2020

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income

Audit Findings: Material Weakness, Other Matters

Condition and Context:

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

The School Corporation had not designed or implemented adequate internal controls to ensure that payroll disbursements were only for food service operating costs. There were no internal controls in place to ensure that payroll disbursements were supported by timesheets and time cards, or time and effort reports, for all employees paid from the School Lunch fund. In addition, the payroll reports that were submitted to the School Board for review only listed a total amount paid from the fund, the reports did not list the employees who were paid from the fund.

The School Corporation paid a portion of the salaries for administrative, custodial, and substitute aide personnel from the School Lunch fund without proper documentation to support the amount paid.

Payroll disbursements for administrative, custodial, and substitute aide employees were allocated to the Child Nutrition Cluster based on the number of hours the employees spent working for the Child Nutrition programs; however, there were no time cards, time sheets, or time and effort logs maintained to support the number of hours worked.

The amounts charged to the Child Nutrition Cluster, which was not supported by time cards, time sheets, or time and effort logs, totaled \$13,016 and are considered questioned costs.

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

Status:

This finding was recurring for the audit period – see Finding 2022-004.



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2020-005

Subject: Special Education Cluster (IDEA) - Level of Effort, Earmarking, Reporting
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 18611-109-PN01, 19611-109-PN01, 20611-109-PN01, 19619-109-PN01, 20619-109-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting
Audit Findings: Material Weakness, Modified Opinion

Condition and Context:

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

The School Corporation had not designed or implemented effective internal controls to ensure that amounts considered in maintaining the level of effort, earmarked for private schools, and reported for proportionate shares for the nonpublic school services were accurate and supported by the School Corporation's records.

Amounts reported for compliance with level of effort - maintenance of effort were not supported by the School Corporation's records. A proportionate share of special education funds was earmarked to the local private school. The School Corporation could not provide records to substantiate that services were provided, and that the dollar amount of the services were reported accurately on the Quarterly Monitoring Report for Proportional Shares for Nonpublic Schools.

In addition, the School Corporation did not have a system of internal controls in place to ensure the Maintenance of Effort (MOE) requirement was met. The Superintendent of Schools reviewed the application, but there was no documented review over the MOE calculation itself.

The lack of internal controls and failure to maintain supporting documentation were systemic issues throughout the audit period.

Status:

This finding was recurring for the audit period – see Finding 2022-009.



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2020-006

Subject: Special Education Cluster (IDEA) - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-109-PN01, 19611-109-PN01, 20611-109-PN01, 19619-109-PN01, 20619-109-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Finding: Material Weakness

Condition and Context:

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

The School Corporation did not have a system of internal controls in place to ensure that the amounts for payroll withholdings and employee fringe benefits made by electronic fund transfers were reviewed.

The lack of internal controls was a systemic issue throughout the audit period.

Status:

This finding was recurring for the audit period – see Finding 2022-008.



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

FINDING 2022-001

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

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).

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. The beginning cash balance at July 1, 2020 reported in Gateway was overstated by \$3,465 compared to the audited balance from the prior report.
2. For the period of July 1, 2020 through June 30, 2021, disbursements and receipts for clearing funds were understated by \$676,108 and \$106,426, respectively. The net impact on cash and investment balances reported in Gateway as of June 30, 2021 was an overstatement of \$569,682.

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

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement effective internal controls to oversee that the federal grant information prepared and submitted into Gateway is accurate and reviewed. This will be done in order to detect and correct errors that may be entered prior to submission. This will be done by having an employee prepare the AFR information while another employee reviews and approves the information before submitting. These controls will be implemented by July 1, 2023.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date: July 1, 2023



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-002

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

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).

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 on the SEFA for the period of July 1, 2020, through June 30, 2022:

1. The COVID-19 – Elementary and Secondary School Emergency Relief (ESSER I 84.425D) Fund was omitted for both 2020-2021 and 2021-2022, which understated expenditures by \$200,666 during the audit period
2. Several additional grants had individually immaterial errors that resulted in understated expenditures of \$27,203
3. Other errors included incorrect cluster names, program names, pass-through entities, and identifying numbers

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

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement effective internal controls to oversee that the federal grant information prepared and submitted in Gateway is accurate and reviewed. This will be done in order to detect and correct errors that may be entered prior to submission. This will be done by having an employee prepare the federal award information while another employee reviews and approves the information before entering. These controls will be implemented by July 1, 2023.

Responsible Party and Timeline for Completion:

Dalton C. Tunis, Corporation Business Manager/Treasurer
Anticipated Completion Date: July 1, 2023



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-003

Subject: Financial Statement Transactions
Audit Findings: Material Weakness

Condition: There were deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not designed or implemented effective internal controls related to payroll and fringe benefit disbursements.

Context: The School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. In March 2021, the Treasurer implemented a review of the payroll distribution report, which is broken out by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-2021 year.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to oversee that financial transactions related to payroll and fringe benefits disbursements are reviewed and verified by proper management to ensure that accuracy and documentation is in place. These controls were implemented in March 2021.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date: March 2021



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-004

Subject: Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, After School Snack Program, Summer Food Service Program for Children
Assistance Listing Number: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Context: The School Corporation had not designed or implemented adequate internal controls to ensure that payroll disbursements were only for food service-related services. Payroll disbursements comprise approximately 45% of the program costs charged to the Child Nutrition Cluster.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. The reports did not list the employees who were paid from the fund. In March 2021, the Treasurer implemented a review of the payroll distribution report, which is broken out by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-21 year.

Additionally, payroll disbursements for custodial employees were allocated to the Child Nutrition Cluster based on a percentage of the custodial employees' salaries. However, there were no time and effort logs or other documentation maintained to support the percentage of the custodial salaries allocated to the Child Nutrition Cluster. The custodial salaries make up approximately 3% of the total payroll disbursements charged to the Child Nutrition Cluster. This was an issue throughout the audit period.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure compliance with the activities allowed or unallowed and allowable costs/cost principles compliance requirements. This will consist of maintaining documentation to support that payroll disbursements are only for food service operating costs by having supporting timesheets and timecards or time and effort reports for all employees paid from the School lunch fund. These controls will be implemented by July 1, 2023.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date: July 1, 2023



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-005

Subject: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Material Noncompliance

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Context:

(a) During allowable cost testing for vendor disbursements, we noted a portion of ARP ESSER funds were utilized to repair the chiller at the middle and high schools. The School Corporation incurred a total of approximately \$284,000 in chiller repair costs between September 2021 and May 2022 and requested reimbursement for those expenditures from ARP ESSER funds in full. In October 2021, the School Corporation received an insurance claim check in the amount of \$106,755 to cover a portion of the repair costs. The School Corporation did not deduct the amount received through insurance from the amount requested for reimbursement from federal funds, resulting in an overpayment of federal funds during the audit period.

(b) Additionally, the School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements. Payroll disbursements make up approximately 45% of the program costs charged to the Education Stabilization Fund.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. The reports did not list the employees who were paid from the fund. In March 2021, the Treasurer implemented a review of the payroll distribution report, which is broken out by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-2021 year.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure a system is established for when insurance claim checks are received that they are properly receipted and funds are accounted for and deducted from necessary reimbursement grants. This will give better proper oversight, reviews, and approvals over the insurance claim checks received. These controls will be implemented by July 1, 2023. The NJ-SP School Corporation will also implement internal controls to oversee that financial transactions related to receipts and payroll and fringe benefits disbursements are reviewed and verified by proper management to ensure that accuracy and documentation is in place. These controls were implemented on March, 2021.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date for (b): March 2021
Anticipated Completion Date for (a): July 1, 2023



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-006

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness

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 Equipment and Real Property Management compliance requirement.

Context: 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 Equipment and Real Property Management.

The School paid for chiller repairs and purchased a new air conditioning unit using education stabilization funds. These capital improvements were not added to a detailed listing of capital assets that would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and the use and condition of the property. In addition, a physical inventory had not been taken in the past two years.

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

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure that management establishes a system and maintains adequate supporting documentation to ensure compliance with the grant agreement and Equipment and Real Property Management. This will include documented summary appraisal reports annually. These controls will be implemented by July 1, 2023.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date: July 1, 2023



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-007

Subject: COVID-19 – Education Stabilization Fund – Reporting
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

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.

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 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.

The amounts reported as expended on the second report did not agree to the underlying expenditure records of the School Corporation. Per discussion with the Treasurer, the amounts reported on the second report were the appropriated amounts, not the actual amounts expended during the period. Therefore, the amounts on the report were overstated by approximately 25% for ESSER I and 280% for ESSER II compared to the correct amounts on the School Corporation's records.

Additionally, 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.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement effective internal controls to oversee that the federal grant information prepared and submitted is accurate and reviewed. This will be done in order to detect and correct errors that may be entered prior to submission. This will be done by having an employee prepare the Annual Data Report information while another employee reviews and approves the information before submitting. These controls will be implemented by July 1, 2023.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date: July 1, 2023



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-008

Subject: Special Education Cluster (IDEA) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Special Education Grants to States, Special Education Preschool Grants

Assistance Listing Number: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 20611-109-PN01, 21611-109-PN01, 21619-109-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Context: The School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements. Payroll disbursements make up 100% of the program costs charged to the Special Education grants.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund. The reports did not list the employees who were paid from the fund. In March 2021, the Treasurer implemented a review of the payroll distribution report by fund and individual employee. The lack of controls related to payroll disbursements was isolated to the 2020-2021 year.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to oversee that financial transactions related to receipts and payroll and fringe benefits disbursements are reviewed and verified by proper management to ensure that accuracy and documentation is in place. These controls were implemented on March, 2021.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer

Anticipated Completion Date: March 2021



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dalton C. Tunis
Corporation
Business Manager/Treasurer

FINDING 2022-009

Subject: Special Education Cluster (IDEA) – Earmarking
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
Assistance Listing Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 20611-109-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Findings: Material Weakness

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

Context: A proportionate share of special education funds was earmarked to the local private school. The School Corporation could not provide support to substantiate that non-public services were provided. For the special education grant awards that were fully expended during the audit period, the School Corporation did not expend the minimum required amount on services for non-public students with disabilities.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure compliance with the grant agreement and the proportionate share of special education funds. A system will be established that maintains adequate supporting documentation to ensure compliance with the grant agreement and the earmarking and reporting compliance requirements of the proportionate share funds. This will give better proper oversight, reviews, and approvals over the proportionate share special education funds. These controls will be implemented by July 1, 2023.

Responsible Party and Timeline for Completion:

Dalton C. Tunis – Corporation Business Manager/Treasurer
Anticipated Completion Date: March 2021