

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CLINTON PRAIRIE SCHOOL CORPORATION  
CLINTON COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
07/15/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Mitchell	07-01-13 to 06-30-16
Superintendent of Schools	Chris Sampson	07-01-13 to 06-30-16
President of the School Board	Dr. Timothy Snyder	07-01-13 to 12-31-16



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE CLINTON PRAIRIE SCHOOL  
CORPORATION, CLINTON COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Clinton Prairie School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 21, 2016, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

April 21, 2016



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

TO: THE OFFICIALS OF THE CLINTON PRAIRIE SCHOOL  
CORPORATION, CLINTON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Clinton Prairie School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated April 21, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 to be material weaknesses.



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

**Compliance and Other Matters**


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

**Clinton Prairie School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

April 21, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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CLINTON PRAIRIE SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 2,532	\$ 6,594,379	\$ 6,388,922	\$ 129,998	\$ 337,987	\$ 6,827,515	\$ 6,529,608	\$ 37,831	\$ 673,725
Debt Service	910,492	1,276,668	1,512,500	(154,998)	519,662	1,861,713	1,489,670	(47,391)	844,314
Retirement/Severance Bond Debt Service	200,939	284,400	351,790	-	133,549	305,145	324,220	-	114,474
Capital Projects	303,981	826,338	781,921	(50,000)	298,398	1,168,754	871,331	(250,000)	345,821
School Transportation	229,458	625,400	625,258	(50,000)	179,600	897,636	613,356	(100,000)	363,880
School Bus Replacement	458	109,275	115,495	6,000	238	110,024	-	(48,000)	62,262
Rainy Day	245,587	-	16,068	119,083	348,602	-	-	398,000	746,602
Retirement/Severance Bond	6,100	69,052	68,212	-	6,940	59,057	59,057	-	6,940
School Lunch	88,979	501,086	510,003	-	80,062	492,997	524,248	-	48,811
Textbook Rental	93,091	109,001	120,435	-	81,657	118,181	53,673	9,560	155,725
Levy Excess	-	-	-	-	-	639	-	-	639
Educational License Plates	1,838	-	1,838	-	-	-	-	-	-
Mattix Trust	2,406	-	-	-	2,406	-	2,406	-	-
IN Next Leadership Fund	29	-	-	(29)	-	-	-	-	-
High Ability 2014-2015	-	-	-	-	-	28,413	28,004	-	409
High Ability 2012-2013	12,478	-	12,478	-	-	-	-	-	-
High Ability 2013-2014	-	28,180	14,228	-	13,952	-	6,667	-	7,285
Medicaid Reimbursement -State	31	-	-	-	31	-	-	-	31
Non-English Speaking	6	2,181	2,181	-	6	-	-	-	6
Non-English Speaking 14-15	-	-	-	-	-	1,931	1,931	-	-
Connectivity Fund	1,320	-	-	-	1,320	-	-	-	1,320
Connectivity Fund 2011-12	3,023	-	-	-	3,023	-	-	-	3,023
Performance Based Awards	54	-	-	(54)	-	-	-	-	-
Comm Found/Minigrant	2,249	-	2,205	-	44	-	-	-	44
Safety Grant	-	-	-	-	-	32,691	32,691	-	-
Title I 2013-2014	-	64,909	71,806	-	(6,897)	8,402	1,505	-	-
Title I 2014-2015	-	-	-	-	-	61,514	69,916	-	(8,402)
Title I 2012-2013	(5,659)	28,324	22,665	-	-	-	-	-	-
P.L. 94-142 2012-2013	(11,597)	13,950	2,353	-	-	44	44	-	-
P.L. 94-142 2013-2014	-	207,196	212,195	-	(4,999)	8,594	3,595	-	-
P.L. 2014-2015	-	-	-	-	-	213,378	217,245	-	(3,867)
Technical Assistance	-	4,897	4,897	-	-	-	-	-	-
Special Education Improvement	-	69,764	69,764	-	-	-	-	-	-
2013-14 Preschool (619)	-	9,276	9,276	-	-	-	-	-	-
2014-15 Preschool (619)	-	-	-	-	-	-	9,203	-	(9,203)
Perkins Grant 2013-14	-	11,931	23,802	-	(11,871)	11,871	-	-	-
Perkins Grant 2014-15	-	739	739	-	-	13,958	13,958	-	-
Medicaid Reimbursement - Federal	62	-	-	-	62	-	-	-	62
CSR/Title II 2012-2013	-	30,902	30,902	-	-	-	-	-	-
CSR/Title II 2014-2015	(430)	4,154	3,724	-	-	1,638	3,255	-	(1,617)
CSR/Title II 2013-2014	(425)	11,673	11,248	-	-	5,215	5,215	-	-
Payroll	75,450	1,653,599	1,662,662	-	66,387	1,648,414	1,663,414	-	51,387
<b>Totals</b>	<b>\$ 2,162,452</b>	<b>\$ 12,537,274</b>	<b>\$ 12,649,567</b>	<b>\$ -</b>	<b>\$ 2,050,159</b>	<b>\$ 13,877,724</b>	<b>\$ 12,524,212</b>	<b>\$ -</b>	<b>\$ 3,403,671</b>

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

CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

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

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

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

*F. Other Financing Sources and Uses*

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

Transfers in which includes money 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 which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money 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 money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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



CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

*C. Additional Pension Plans*

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 and 2015.

CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The School Corporation has entered into a capital lease with Clinton Prairie Community 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 2014 and 2015, totaled \$1,490,000 and \$1,488,000, respectively.

**Note 9. *Subsequent Events***

A construction project hearing was held on January 12, 2016, for a corporation-wide building project. Bonds were approved to be advertised for an amount not to exceed \$2,000,000.

**Note 10. *Other Postemployment Benefits***

The School Corporation provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. 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 Gateway 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 Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 2,532	\$ 910,492	\$ 200,939	\$ 303,981	\$ 229,458	\$ 458	\$ 245,587	\$ 6,100
Receipts:								
Local sources	80,005	1,276,668	284,400	826,338	625,400	109,275	-	69,052
Intermediate sources	22	-	-	-	-	-	-	-
State sources	6,514,352	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>6,594,379</u>	<u>1,276,668</u>	<u>284,400</u>	<u>826,338</u>	<u>625,400</u>	<u>109,275</u>	<u>-</u>	<u>69,052</u>
Disbursements:								
Current:								
Instruction	4,314,685	-	-	-	-	-	-	68,212
Support services	1,965,089	-	-	448,742	625,258	115,495	16,068	-
Noninstructional services	109,148	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	333,179	-	-	-	-
Debt services	-	1,512,500	351,790	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>6,388,922</u>	<u>1,512,500</u>	<u>351,790</u>	<u>781,921</u>	<u>625,258</u>	<u>115,495</u>	<u>16,068</u>	<u>68,212</u>
Excess (deficiency) of receipts over disbursements	<u>205,457</u>	<u>(235,832)</u>	<u>(67,390)</u>	<u>44,417</u>	<u>142</u>	<u>(6,220)</u>	<u>(16,068)</u>	<u>840</u>
Other financing sources (uses):								
Transfers in	154,998	-	-	-	-	48,000	167,083	-
Transfers out	<u>(25,000)</u>	<u>(154,998)</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(42,000)</u>	<u>(48,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>129,998</u>	<u>(154,998)</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>6,000</u>	<u>119,083</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>335,455</u>	<u>(390,830)</u>	<u>(67,390)</u>	<u>(5,583)</u>	<u>(49,858)</u>	<u>(220)</u>	<u>103,015</u>	<u>840</u>
Cash and investments - ending	<u>\$ 337,987</u>	<u>\$ 519,662</u>	<u>\$ 133,549</u>	<u>\$ 298,398</u>	<u>\$ 179,600</u>	<u>\$ 238</u>	<u>\$ 348,602</u>	<u>\$ 6,940</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Mattix Trust	IN Next Leadership Fund	High Ability 2014-2015
Cash and investments - beginning	\$ 88,979	\$ 93,091	\$ -	\$ 1,838	\$ 2,406	\$ 29	\$ -
Receipts:							
Local sources	256,943	74,985	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	4,353	34,016	-	-	-	-	-
Federal sources	239,790	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>501,086</u>	<u>109,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	10,929	120,435	-	1,838	-	-	-
Noninstructional services	499,074	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>510,003</u>	<u>120,435</u>	<u>-</u>	<u>1,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(8,917)</u>	<u>(11,434)</u>	<u>-</u>	<u>(1,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(29)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(8,917)</u>	<u>(11,434)</u>	<u>-</u>	<u>(1,838)</u>	<u>-</u>	<u>(29)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 80,062</u>	<u>\$ 81,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	High Ability 2012-2013	High Ability 2013-2014	Medicaid Reimbursement - State	Non-English Speaking	Non-English Speaking 14-15	Connectivity Fund	Connectivity Fund 2011-12
Cash and investments - beginning	\$ 12,478	\$ -	\$ 31	\$ 6	\$ -	\$ 1,320	\$ 3,023
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	28,180	-	2,181	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>28,180</u>	<u>-</u>	<u>2,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	12,478	14,228	-	2,181	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>12,478</u>	<u>14,228</u>	<u>-</u>	<u>2,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(12,478)</u>	<u>13,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,478)</u>	<u>13,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,952</u>	<u>\$ 31</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 1,320</u>	<u>\$ 3,023</u>



CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Performance Based Awards	Comm Found/ Minigrant	Safety Grant	Title I 2013-2014	Title I 2014-2015	Title I 2012-2013	P.L. 94-142 2012-2013
Cash and investments - beginning	\$ 54	\$ 2,249	\$ -	\$ -	\$ -	\$ (5,659)	\$ (11,597)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	64,909	-	28,324	13,950
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	64,909	-	28,324	13,950
Disbursements:							
Current:							
Instruction	-	-	-	71,806	-	19,686	2,353
Support services	-	-	-	-	-	2,979	-
Noninstructional services	-	2,205	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	2,205	-	71,806	-	22,665	2,353
Excess (deficiency) of receipts over disbursements	-	(2,205)	-	(6,897)	-	5,659	11,597
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(54)	-	-	-	-	-	-
Total other financing sources (uses)	(54)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(54)	(2,205)	-	(6,897)	-	5,659	11,597
Cash and investments - ending	\$ -	\$ 44	\$ -	\$ (6,897)	\$ -	\$ -	\$ -

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	P.L. 94-142 2013-2014	P.L. 2014-2015	Technical Assistance	Special Education Improvement	2013-14 Preschool (619)	2014-15 Preschool (619)	Perkins Grant 2013-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	207,196	-	4,897	69,764	9,276	-	11,931
Other	-	-	-	-	-	-	-
Total receipts	<u>207,196</u>	<u>-</u>	<u>4,897</u>	<u>69,764</u>	<u>9,276</u>	<u>-</u>	<u>11,931</u>
Disbursements:							
Current:							
Instruction	212,195	-	4,897	69,764	9,276	-	23,802
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>212,195</u>	<u>-</u>	<u>4,897</u>	<u>69,764</u>	<u>9,276</u>	<u>-</u>	<u>23,802</u>
Excess (deficiency) of receipts over disbursements	<u>(4,999)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,871)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,999)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,871)</u>
Cash and investments - ending	<u>\$ (4,999)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,871)</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Perkins Grant 2014-15	Medicaid Reimbursement - Federal	CSR/ Title II 2012-2013	CSR/ Title II 2014-2015	CSR/ Title II 2013-2014	Payroll	Totals
Cash and investments - beginning	\$ -	\$ 62	\$ -	\$ (430)	\$ (425)	\$ 75,450	\$ 2,162,452
Receipts:							
Local sources	-	-	-	-	-	-	3,603,066
Intermediate sources	-	-	-	-	-	-	22
State sources	-	-	-	-	-	-	6,583,082
Federal sources	739	-	30,902	4,154	11,673	-	697,505
Other	-	-	-	-	-	1,653,599	1,653,599
Total receipts	<u>739</u>	<u>-</u>	<u>30,902</u>	<u>4,154</u>	<u>11,673</u>	<u>1,653,599</u>	<u>12,537,274</u>
Disbursements:							
Current:							
Instruction	739	-	30,902	3,724	11,248	-	4,872,176
Support services	-	-	-	-	-	-	3,306,833
Noninstructional services	-	-	-	-	-	-	610,427
Facilities acquisition and construction	-	-	-	-	-	-	333,179
Debt services	-	-	-	-	-	-	1,864,290
Nonprogrammed charges	-	-	-	-	-	1,662,662	1,662,662
Total disbursements	<u>739</u>	<u>-</u>	<u>30,902</u>	<u>3,724</u>	<u>11,248</u>	<u>1,662,662</u>	<u>12,649,567</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>430</u>	<u>425</u>	<u>(9,063)</u>	<u>(112,293)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	370,081
Transfers out	-	-	-	-	-	-	(370,081)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>430</u>	<u>425</u>	<u>(9,063)</u>	<u>(112,293)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,387</u>	<u>\$ 2,050,159</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 337,987	\$ 519,662	\$ 133,549	\$ 298,398	\$ 179,600	\$ 238	\$ 348,602	\$ 6,940
Receipts:								
Local sources	55,685	1,861,713	305,145	1,168,754	897,636	110,024	-	59,057
Intermediate sources	16	-	-	-	-	-	-	-
State sources	6,771,814	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>6,827,515</u>	<u>1,861,713</u>	<u>305,145</u>	<u>1,168,754</u>	<u>897,636</u>	<u>110,024</u>	<u>-</u>	<u>59,057</u>
Disbursements:								
Current:								
Instruction	4,401,621	-	-	-	-	-	-	59,057
Support services	2,008,065	-	-	436,611	613,356	-	-	-
Noninstructional services	119,922	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	434,720	-	-	-	-
Debt services	-	1,489,670	324,220	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>6,529,608</u>	<u>1,489,670</u>	<u>324,220</u>	<u>871,331</u>	<u>613,356</u>	<u>-</u>	<u>-</u>	<u>59,057</u>
Excess (deficiency) of receipts over disbursements	<u>297,907</u>	<u>372,043</u>	<u>(19,075)</u>	<u>297,423</u>	<u>284,280</u>	<u>110,024</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	37,831	-	-	-	-	-	398,000	-
Transfers out	-	(47,391)	-	(250,000)	(100,000)	(48,000)	-	-
Total other financing sources (uses)	<u>37,831</u>	<u>(47,391)</u>	<u>-</u>	<u>(250,000)</u>	<u>(100,000)</u>	<u>(48,000)</u>	<u>398,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>335,738</u>	<u>324,652</u>	<u>(19,075)</u>	<u>47,423</u>	<u>184,280</u>	<u>62,024</u>	<u>398,000</u>	<u>-</u>
Cash and investments - ending	<u>\$ 673,725</u>	<u>\$ 844,314</u>	<u>\$ 114,474</u>	<u>\$ 345,821</u>	<u>\$ 363,880</u>	<u>\$ 62,262</u>	<u>\$ 746,602</u>	<u>\$ 6,940</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Mattix Trust	IN Next Leadership Fund	High Ability 2014-2015
Cash and investments - beginning	\$ 80,062	\$ 81,657	\$ -	\$ -	\$ 2,406	\$ -	\$ -
Receipts:							
Local sources	248,224	82,180	639	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	3,929	36,001	-	-	-	-	28,413
Federal sources	240,844	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>492,997</u>	<u>118,181</u>	<u>639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,413</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	2,406	-	28,004
Support services	5,139	53,673	-	-	-	-	-
Noninstructional services	519,109	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>524,248</u>	<u>53,673</u>	<u>-</u>	<u>-</u>	<u>2,406</u>	<u>-</u>	<u>28,004</u>
Excess (deficiency) of receipts over disbursements	<u>(31,251)</u>	<u>64,508</u>	<u>639</u>	<u>-</u>	<u>(2,406)</u>	<u>-</u>	<u>409</u>
Other financing sources (uses):							
Transfers in	-	9,560	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>9,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(31,251)</u>	<u>74,068</u>	<u>639</u>	<u>-</u>	<u>(2,406)</u>	<u>-</u>	<u>409</u>
Cash and investments - ending	<u>\$ 48,811</u>	<u>\$ 155,725</u>	<u>\$ 639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	High Ability 2012-2013	High Ability 2013-2014	Medicaid Reimbursement - State	Non-English Speaking	Non-English Speaking 14-15	Connectivity Fund	Connectivity Fund 2011-12
Cash and investments - beginning	\$ -	\$ 13,952	\$ 31	\$ 6	\$ -	\$ 1,320	\$ 3,023
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	1,931	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,931	-	-
Disbursements:							
Current:							
Instruction	-	6,667	-	-	1,931	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	6,667	-	-	1,931	-	-
Excess (deficiency) of receipts over disbursements	-	(6,667)	-	-	-	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,667)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 7,285	\$ 31	\$ 6	\$ -	\$ 1,320	\$ 3,023

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Performance Based Awards	Comm Found/ Minigrant	Safety Grant	Title I 2013-2014	Title I 2014-2015	Title I 2012-2013	P.L. 94-142 2012-2013
Cash and investments - beginning	\$ -	\$ 44	\$ -	\$ (6,897)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	32,691	-	-	-	-
Federal sources	-	-	-	8,402	61,514	-	44
Other	-	-	-	-	-	-	-
Total receipts	-	-	32,691	8,402	61,514	-	44
Disbursements:							
Current:							
Instruction	-	-	-	906	68,916	-	44
Support services	-	-	-	599	1,000	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	32,691	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	32,691	1,505	69,916	-	44
Excess (deficiency) of receipts over disbursements	-	-	-	6,897	(8,402)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	6,897	(8,402)	-	-
Cash and investments - ending	\$ -	\$ 44	\$ -	\$ -	\$ (8,402)	\$ -	\$ -

CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	P.L. 94-142 2013-2014	P.L. 2014-2015	Technical Assistance	Special Education Improvement	2013-14 Preschool (619)	2014-15 Preschool (619)	Perkins Grant 2013-14
Cash and investments - beginning	\$ (4,999)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,871)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	8,594	213,378	-	-	-	-	11,871
Other	-	-	-	-	-	-	-
Total receipts	<u>8,594</u>	<u>213,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,871</u>
Disbursements:							
Current:							
Instruction	3,595	217,245	-	-	-	9,203	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>3,595</u>	<u>217,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,203</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,999</u>	<u>(3,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,203)</u>	<u>11,871</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,999</u>	<u>(3,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,203)</u>	<u>11,871</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (3,867)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,203)</u>	<u>\$ -</u>



CLINTON PRAIRIE SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Perkins Grant 2014-15	Medicaid Reimbursement - Federal	CSR/ Title II 2012-2013	CSR/ Title II 2014-2015	CSR/ Title II 2013-2014	Payroll	Totals
Cash and investments - beginning	\$ -	\$ 62	\$ -	\$ -	\$ -	\$ 66,387	\$ 2,050,159
Receipts:							
Local sources	-	-	-	-	-	-	4,789,057
Intermediate sources	-	-	-	-	-	-	16
State sources	-	-	-	-	-	-	6,874,779
Federal sources	13,958	-	-	1,638	5,215	-	565,458
Other	-	-	-	-	-	1,648,414	1,648,414
Total receipts	<u>13,958</u>	<u>-</u>	<u>-</u>	<u>1,638</u>	<u>5,215</u>	<u>1,648,414</u>	<u>13,877,724</u>
Disbursements:							
Current:							
Instruction	13,958	-	-	3,255	5,215	-	4,822,023
Support services	-	-	-	-	-	-	3,118,443
Noninstructional services	-	-	-	-	-	-	639,031
Facilities acquisition and construction	-	-	-	-	-	-	467,411
Debt services	-	-	-	-	-	-	1,813,890
Nonprogrammed charges	-	-	-	-	-	1,663,414	1,663,414
Total disbursements	<u>13,958</u>	<u>-</u>	<u>-</u>	<u>3,255</u>	<u>5,215</u>	<u>1,663,414</u>	<u>12,524,212</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,617)</u>	<u>-</u>	<u>(15,000)</u>	<u>1,353,512</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	445,391
Transfers out	-	-	-	-	-	-	(445,391)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,617)</u>	<u>-</u>	<u>(15,000)</u>	<u>1,353,512</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ (1,617)</u>	<u>\$ -</u>	<u>\$ 51,387</u>	<u>\$ 3,403,671</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 177,227</u>	<u>\$ 23,089</u>

CLINTON PRAIRIE SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Clinton Prairie Community School Building Corporation	Lease Rental - Wasterwater Facility	<u>\$ 1,488,000</u>	1/15/2013	1/15/2022

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Pension Bond	<u>\$ 2,360,000</u>	<u>\$ 322,195</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE CLINTON PRAIRIE SCHOOL  
CORPORATION, CLINTON COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Clinton Prairie School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-005. Our opinion on each major federal program is not modified with respect to this matter.

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

**Report on Internal Control Over Compliance**


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified 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 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 2015-003, 2015-004, and 2015-005 to be material weaknesses.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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CLINTON PRAIRIE SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY 13-14	\$ 35,494	\$ -
			FY 14-15	-	39,107
				<u>35,494</u>	<u>39,107</u>
Total - School Breakfast Program				<u>35,494</u>	<u>39,107</u>
National School Lunch Program	Indiana Department of Education	10.555			
			FY 13-14	233,383	-
			FY 14-15	-	230,963
				<u>233,383</u>	<u>230,963</u>
Total - National Scholl Lunch Program				<u>233,383</u>	<u>230,963</u>
Total - Department of Agriculture				<u>268,877</u>	<u>270,070</u>
<u>Department of Education</u>					
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027			
			14213-099-PN01	207,196	8,594
			14215-099-PN01	-	213,378
			5250-5259	69,764	-
			99914-99-TA01	4,897	-
			45712-099-PN01	<u>13,950</u>	<u>44</u>
Total - Special Education - Grants to States				<u>295,807</u>	<u>222,016</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173			
			45715-099-PN01	<u>9,276</u>	-
Total - Special Education Cluster				<u>305,083</u>	<u>222,016</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			13-1160	28,324	-
			14-1160	64,909	8,402
			15-1160	-	61,514
				<u>93,233</u>	<u>69,916</u>
Total - Title I Grants to Local Educational Agencies				<u>93,233</u>	<u>69,916</u>
Career and Technical Education - Basic Grants to States	Tippecanoe School Corporation	84.048			
			FY 12-13	739	-
			FY 13-14	11,931	11,871
			FY 14-15	-	13,958
				<u>12,670</u>	<u>25,829</u>
Total - Career and Technical Education - Basic Grants to States				<u>12,670</u>	<u>25,829</u>
Improving Teaching Quality State Grants	Indiana Department of Education	84.367			
			FY 11-12	4,154	-
			FY 12-13	11,673	5,215
			FY 13-14	30,902	-
			FY 14-15	-	1,638
				<u>46,729</u>	<u>6,853</u>
Total - Improving Teaching Quality State Grants				<u>46,729</u>	<u>6,853</u>
Total - Department of Education				<u>457,715</u>	<u>324,614</u>
Total federal awards expended				<u>\$ 726,592</u>	<u>\$ 594,684</u>

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

CLINTON PRAIRIE SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ended June 30, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2014	2015
National School Lunch Program	10.555	\$ 29,087	\$ 29,226

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_

Child Nutrition Cluster  
Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2015-001 - FINANCIAL TRANSACTIONS AND REPORTING**

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

1. Lack of Segregation of Duties

The School Corporation had not separated incompatible activities related to receipts. The Treasurer received funds, recorded receipts, and made bank deposits without oversight or review. The failure to establish adequate controls could have enabled material mis-statements or irregularities to remain undetected. Control activities should have been in place to reduce the risks of errors in financial reporting.

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. Monitoring of Controls:

An evaluation of the School Corporation's system of internal control had not been conducted. The failure to monitor the internal control system placed the School Corporation at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Additionally, the School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting require the School Corporation to monitor and assess the quality of the system of internal control.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***FINDING 2015-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

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). Information on the SEFA was not reviewed to verify that all grants were included and that amounts were accurate prior to submission. The School Corporation should have had proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2015-003 - INTERNAL CONTROL OVER CHILD NUTRITION CLUSTER***

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications. 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 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.

*Cash Management and Reporting*

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Cash Management and Reporting requirements. There were no controls in place to ensure that required reports were accurate and properly filed. The Nutritional Director independently prepared the Requests for Reimbursement reports for the Child Nutrition Cluster. There was no segregation of duties, such as an oversight, review, or approval process.

*Eligibility*

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Eligibility requirements. There were no controls in place to ensure that eligibility determinations were performed when required or were accurate. The Nutritional Director independently completed the eligibility determinations. There was no segregation of duties, such as an oversight, review, or approval process.

*Procurement and Suspension and Debarment*

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Suspension and Debarment requirements. The School Corporation did not have controls in place to ensure that vendors were not suspended or debarred from participation in federal programs. There was no segregation of duties, such as an oversight, review, or approval process.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications*

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Special Tests and Provisions - Verification of Free and Reduced Price Applications requirements. There were no controls in place to ensure that the verifications were performed and reported accurately. The Nutritional Director independently completed the verification of free and reduced price applications and independently prepared the Verification Summary. There was no segregation of duties, such as an oversight, review, or approval process.

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2015-004 - INTERNAL CONTROL OVER SPECIAL EDUCATION CLUSTER***

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): 14213-099-PN01, 14215-099-PN01,  
5250-5259, 99914-099-TA01,  
45712- 099-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Equipment and Real Property Management, and Level of Effort - Maintenance of Effort. 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 non-compliance with compliance requirement 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.

*Activities Allowed or Unallowed and Allowable Costs/Cost Principles*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program expenditures were in compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements. Program expenditures were not always reviewed or approved to indicate that the expenditures were for allowable activities or for allowable costs. There was no segregation of duties, such as an oversight, review, or approval process.



CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Equipment*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with Equipment requirements. There were no controls in place to ensure that capital assets purchased with federal funds were properly recorded in the capital asset records of the School Corporation. There was no segregation of duties, such as an oversight, review, or approval process.

*Level of Effort - Maintenance of Effort*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with Level of Effort - Maintenance of Effort (MOE) requirements. There were no controls in place to ensure that MOE was properly calculated and reported in the grant application. There was no segregation of duties, such as an oversight, review, or approval process.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2015-005 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY***

Federal Agency: Department of Agriculture  
Federal Programs: National School Lunch Program  
CFDA Numbers: 10.555  
Federal Award Years: FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed non-compliance with 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.

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with Special Tests and Provisions - Paid Lunch Equity requirements. There were no controls in place to ensure that the paid lunch equity calculations were made as required, or that they were accurate when made. In addition, there were no controls to ensure that meal prices were approved by the School Board. There was not proper segregation of duties, such as an effective oversight, review, or approval process.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

The School Corporation did not fully comply with the Special Tests and Provisions - Paid Lunch Equity requirement. The School Corporation did not perform the necessary calculations for paid lunch equity, nor did the School Board review or approve lunch prices for FY 14-15.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

7 CFR 210.149(e) states in part:

*"Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

- (1) *Calculation procedures.* Each school food authority shall:
  - (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.
  - (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

CLINTON PRAIRIE SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and Special Tests and Provisions - Paid Lunch Equity compliance requirement. In addition, we recommend that the School Corporation comply with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

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#### AUDITEE PREPARED DOCUMENTS

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

# Clinton Prairie School Corporation

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## Summary Schedule of Prior Audit Findings

### Finding 2013-003

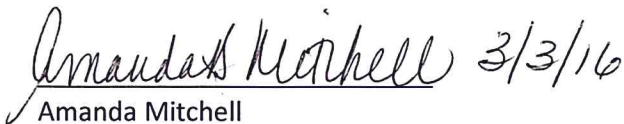
**Original Assigned SBA Audit Report Number: B43330**  
**Report Period: July 1, 2011 to June 30, 2013**  
**Federal Grantor Agency: U.S. Department of Agriculture**  
**Pass Through Entity: Indiana Department of Education**  
**Contact Person Responsible for Corrective Action: Amanda Mitchell**  
**Contact Phone Number: 765-659-1339**

With limited personnel, we are working towards more effective internal controls by having the food service director review and submit claims for eligible activities. Those are reviewed for allowability and processed by the corporate treasurer. The food service director processes applications to determine eligibility for the program. The principal will review those applications. The verification process will be performed by a corporation level employee. The food service director will prepare the reimbursement claim and will have it reviewed by the principal before she submits the request. Program income was not addressed, but we will investigate further. School Fund revenues and expenditures are being accounted for in a separate fund. The School Board will approve new lunch prices.

**Federal Grantor Agency: U.S. Department of Education**  
**Pass Through Entity: Indiana Department of Education, Community Schools of Frankfort, Lebanon Community Schools**  
**Contact Person Responsible for Corrective Action: Amanda Mitchell**  
**Contact Phone Number: 765-659-1339**

The ARRA grant is expended and closed.

For the other special education grants, the treasurer prepares the grant budget. The special education director reviews the budget. The special education director is responsible for ordering any equipment in the budget through the purchase order process. The treasurer is reviewing claims for allowability. The treasurer prepares the reimbursement request and required reports and the superintendent reviews it for accuracy and that it is for the proper period before submission. Matching, Level of Effort, and Earmarking was not addressed, but we will investigate further. A corporation employee will review the payroll distribution report for accuracy.

 3/3/16

Amanda Mitchell  
Treasurer  
Clinton Prairie School Corporation

# Clinton Prairie School Corporation

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## Corrective Action Plan

Contact Person Responsible for Corrective Action: Amanda Mitchell

Contact Phone Number: 765-659-1339

### Finding 2015-001

Clinton Prairie School Corporation will implement new internal controls subsequent to the State Board of Accounts finding referenced above. Various procedures will be put into place which will include adding another employee in the receipt process.

Anticipated Completion Date: Immediately

### Finding 2015-002

Clinton Prairie School Corporation will implement new internal controls subsequent to the State Board of Accounts finding referenced above. The superintendent will be included in the review process for the Schedule of Expenditures of Federal Awards (SEFA) to ensure accuracy of reporting.

Anticipated Completion Date: Immediately

### Finding 2015-003

Clinton Prairie School Corporation will implement new internal controls subsequent to the State Board of Accounts finding referenced above. New procedures will be implemented to ensure reports are accurate and properly filed. The food service director will continue to process applications to determine eligibility for the program. The principal will review those applications. A corporate level employee will verify that vendors are in compliance with the Suspension and Debarment requirements. The verification process will be performed by a corporation level employee. The food service director will continue to prepare the reimbursement claim and will have it reviewed by the principal before she submits the request.

Anticipated Completion Date: 2016-17 School Year

**Finding 2015-004**

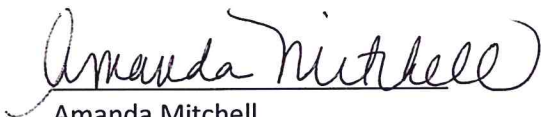
Clinton Prairie School Corporation will implement new internal controls subsequent to the State Board of Accounts finding referenced above. The treasurer will prepare the grant budget. The special education director will review the budget. The special education director will be responsible for ordering any equipment in the budget through the purchase order process. The treasurer will review claims for allowability. A new policy will be designed to ensure proper records are kept for capital assets purchased with federal funds. The treasurer will prepare the reimbursement request and required reports and the superintendent will review it for accuracy and that it is for the proper period before submission. The treasurer will prepare Level of Effort – Maintenance of Effort. The superintendent will review to ensure that the requirements are being met.

Anticipated Completion Date: 2016-17 School Year

**Finding 2015-005**

Clinton Prairie School Corporation will implement new internal controls subsequent to the State Board of Accounts finding referenced above. The food service director will prepare and maintain calculations for each school year and increase lunch prices accordingly, if necessary.

Anticipated Completion Date: 2016-17 School Year



Amanda Mitchell

Treasurer

July 6, 2016



#### OTHER REPORTS

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