

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WHITE RIVER VALLEY SCHOOL DISTRICT
GREENE COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
08/04/2016

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--|--|
| Treasurer | Jayne A. Kaho | 07-01-12 to 06-30-16 |
| Superintendent of Schools | Layton Wall (Vacant) Dr. Jerrill Vandeventer (Interim) Robert M. Hacker | 07-01-12 to 01-11-13 01-12-13 to 01-31-13 02-01-13 to 06-30-13 07-01-13 to 06-30-16 |
| President of the School Board | Jason Davidson | 07-01-12 to 06-30-16 |



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WHITE RIVER VALLEY SCHOOL DISTRICT, GREENE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the White River Valley School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, 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, 2012 to June 30, 2014.

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, 2012 to June 30, 2014, 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, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 14, 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 14, 2016



STATE OF INDIANA
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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 WHITE RIVER VALLEY SCHOOL DISTRICT, GREENE 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 White River Valley School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated April 14, 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 a material weakness.

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 item 2014-001 to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

White River Valley School District'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 14, 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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WHITE RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

| Fund | Cash and Investments 07-01-12 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-13 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-14 |
|--|-------------------------------------|----------------------|----------------------|--------------------------------------|-------------------------------------|----------------------|----------------------|--------------------------------------|-------------------------------------|
| General | \$ 4,043,147 | \$ 5,521,967 | \$ 9,460,518 | \$ - | \$ 104,596 | \$ 5,550,711 | \$ 5,512,444 | \$ - | \$ 142,863 |
| Debt Service | 218,141 | 243,330 | 206,500 | (23,576) | 231,395 | 195,099 | 160,000 | (10,352) | 256,142 |
| Retirement/Severance Bond Debt Service | 15,369 | 305,238 | 299,089 | - | 21,518 | 411,157 | 303,353 | - | 129,322 |
| Capital Projects | 659,673 | 1,035,987 | 820,066 | (350,000) | 525,594 | 1,122,694 | 835,227 | (200,000) | 613,061 |
| School Transportation | 34,125 | 682,902 | 536,920 | - | 180,107 | 729,273 | 545,353 | 425 | 364,452 |
| School Bus Replacement | 279,753 | 41,319 | - | (250,000) | 71,072 | 28,971 | - | (25,000) | 75,043 |
| Rainy Day | 778,648 | 110,000 | 575,785 | 433,000 | 745,863 | - | - | - | 745,863 |
| Retirement/Severance Bond | 73,647 | - | 73,647 | - | - | - | - | - | - |
| School Lunch | (6,171) | 354,155 | 597,480 | 111,000 | (138,496) | 381,689 | 452,751 | 225,000 | 15,442 |
| Textbook Rental | 5,606 | 72,637 | 113,636 | 79,776 | 44,383 | 79,494 | 52,628 | 10,352 | 81,601 |
| Repair and Replacement | 485 | 2,756 | 1,751 | - | 1,490 | 84,497 | 27,250 | - | 58,737 |
| Child Care Program | 685 | 41,730 | 36,512 | - | 5,903 | 37,810 | 35,657 | - | 8,056 |
| Educational License Plates | 145 | 226 | - | - | 371 | 150 | - | - | 521 |
| Rowe Fund | - | 85 | - | - | 85 | 88 | - | - | 173 |
| Powers Trip Fund | - | 500 | - | - | 500 | 525 | 106 | - | 919 |
| Philanthropic | - | - | - | - | - | 477 | 27 | - | 450 |
| Elementary Tobacco Cessation | - | - | - | - | - | 50 | - | - | 50 |
| Adult and Continuing Education | 22,595 | 6,445 | 4,521 | - | 24,519 | 5,679 | 24,848 | - | 5,350 |
| Miscellaneous Programs | 8,560 | - | - | - | 8,560 | - | - | - | 8,560 |
| Instruction Support | (9,009) | 26,556 | 17,547 | - | - | 27,554 | 40,356 | - | (12,802) |
| Secured Schools Safety Grant | - | - | - | - | - | - | 8,970 | - | (8,970) |
| Scholarships and Awards | 55 | - | - | (55) | - | - | - | - | - |
| Non-English Speaking Programs P.L. 273-1999 | 75 | - | - | - | 75 | - | - | - | 75 |
| School Technology | 9,414 | 4,839 | - | - | 14,253 | 4,836 | 1,412 | - | 17,677 |
| Greene County Consortium | 15,517 | - | 6,047 | - | 9,470 | - | - | - | 9,470 |
| Consortium 2010+ | 170,334 | 134,621 | 157,469 | 55 | 147,541 | 60,000 | 127,340 | (80,201) | - |
| Career Fair | 1,800 | - | - | - | 1,800 | - | - | - | 1,800 |
| Student Council Grant Fund | 1,000 | - | - | - | 1,000 | - | - | - | 1,000 |
| Ireland Healthy Lifestyle | 1,346 | 2,926 | 3,540 | - | 732 | - | - | - | 732 |
| E Rate | 53,741 | 16,390 | 37,441 | - | 32,690 | 23,541 | 56,170 | - | 61 |
| Innovation Planning Grant | - | 30,000 | 22,359 | - | 7,641 | - | 6,693 | - | 948 |
| Project Success | 343 | - | - | - | 343 | - | - | - | 343 |
| Title I 2011-2012 | (32,465) | 31,299 | 30,089 | 31,255 | - | - | - | - | - |
| Title I 2010-2011 | 31,255 | - | - | (31,255) | - | - | - | - | - |
| Title I 2012-2013 | - | 191,871 | 191,751 | - | 120 | 171,939 | 172,059 | - | - |
| Title I 2013-2014 | - | - | - | - | - | 277,774 | 278,516 | - | (742) |
| Serve America | 2,271 | - | - | - | 2,271 | - | - | - | 2,271 |
| Drug Free Schools 2010-2011 | (22,935) | - | - | - | (22,935) | - | 12,313 | 36,059 | 811 |
| Drug Free Schools 2009-2010 | 550 | - | - | - | 550 | - | 550 | - | - |
| Vocational and Technical Board Grants | 78 | - | - | - | 78 | - | - | - | 78 |
| Enhanced Act Education Programs | 86 | 160,118 | 173,947 | - | (13,743) | 77,829 | 159,360 | 80,201 | (15,073) |
| Other Federal Programs | (3,025) | - | - | - | (3,025) | - | - | - | (3,025) |
| Improving Teaching Quality, No Child Left, Title II, Part A | (23,038) | 37,628 | 48,384 | - | (33,794) | 21,864 | (15,506) | (22,922) | (19,346) |
| ITQ, Enhanced Education Through Technology, Title II, Part D | (169) | - | - | - | (169) | - | - | - | (169) |
| Rural Schools Achievement | 500 | - | - | - | 500 | - | - | - | 500 |
| Rural Schools and Low Income Program - Pass Through State | (14,505) | 20,041 | 28,746 | - | (23,210) | 16,138 | (18,086) | (13,137) | (2,123) |
| REMS Grant | (61,556) | 83,216 | 21,660 | - | - | - | - | - | - |
| Security Resource Officer | - | - | - | - | - | - | 2,820 | - | (2,820) |
| Special Education - Part B | 40 | - | - | - | 40 | - | - | - | 40 |
| Education Jobs | - | 4,069 | 4,069 | - | - | - | - | - | - |
| Payroll Withholdings | 220,053 | 1,508,433 | 1,712,403 | - | 16,083 | 1,711,316 | 1,663,829 | - | 63,570 |
| Totals | \$ 6,476,164 | \$ 10,671,284 | \$ 15,181,877 | \$ 200 | \$ 1,965,771 | \$ 11,021,155 | \$ 10,446,440 | \$ 425 | \$ 2,540,911 |

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

WHITE RIVER VALLEY SCHOOL DISTRICT
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.

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources, which 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, which 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.

Interfund loans, which include money 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 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.

Interfund loans, which include money 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.

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Sale of capital assets, which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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.

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.

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements that appear as negative entries. This is a result of the correction of errors from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt/disbursement was shown in the current period.

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of some funds being set up for reimbursable grants. Reimbursements for expenditures made by the School Corporation were not received by June 30, 2013, or June 30, 2014. The School Lunch fund has experienced declining receipts resulting in a cash balance deficit at June 30, 2013.

Note 9. Other Postemployment Benefits

The School Corporation provides to eligible retirees a \$3,000 life insurance policy. This benefit poses a liability to the School Corporation for this year and in future years. Information regarding this benefit can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://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.

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

| | General | Debt Service | Retirement/ Severance Bond Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Retirement/ Severance Bond | School Lunch |
|---|--------------------|-------------------|---|---------------------|--------------------------|------------------------------|-------------------|----------------------------------|---------------------|
| Cash and investments - beginning | \$ 4,043,147 | \$ 218,141 | \$ 15,369 | \$ 659,673 | \$ 34,125 | \$ 279,753 | \$ 778,648 | \$ 73,647 | \$ (6,171) |
| Receipts: | | | | | | | | | |
| Local sources | 49,967 | 243,330 | 305,238 | 1,035,987 | 682,902 | 41,319 | - | - | 160,744 |
| Intermediate sources | 208 | - | - | - | - | - | - | - | - |
| State sources | 5,471,792 | - | - | - | - | - | - | - | 3,705 |
| Federal sources | - | - | - | - | - | - | - | - | 189,706 |
| Interfund loans | - | - | - | - | - | - | 110,000 | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total receipts | <u>5,521,967</u> | <u>243,330</u> | <u>305,238</u> | <u>1,035,987</u> | <u>682,902</u> | <u>41,319</u> | <u>110,000</u> | <u>-</u> | <u>354,155</u> |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 3,718,048 | - | - | - | 983 | - | 384,061 | 73,647 | - |
| Support services | 1,560,594 | - | - | 416,962 | 468,880 | - | 190,500 | - | 82,422 |
| Noninstructional services | 181,876 | - | - | - | - | - | - | - | 440,058 |
| Facilities acquisition and construction | - | - | - | 403,104 | 3,000 | - | 1,224 | - | - |
| Debt services | 4,000,000 | 206,500 | 299,089 | - | 64,057 | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - | 75,000 |
| Total disbursements | <u>9,460,518</u> | <u>206,500</u> | <u>299,089</u> | <u>820,066</u> | <u>536,920</u> | <u>-</u> | <u>575,785</u> | <u>73,647</u> | <u>597,480</u> |
| Excess (deficiency) of receipts over disbursements | <u>(3,938,551)</u> | <u>36,830</u> | <u>6,149</u> | <u>215,921</u> | <u>145,982</u> | <u>41,319</u> | <u>(465,785)</u> | <u>(73,647)</u> | <u>(243,325)</u> |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | 27,290 | - | - | - | 646,290 | - | 130,000 |
| Transfers out | - | (23,576) | (27,290) | (350,000) | - | (250,000) | (213,290) | - | (19,000) |
| Total other financing sources (uses) | <u>-</u> | <u>(23,576)</u> | <u>-</u> | <u>(350,000)</u> | <u>-</u> | <u>(250,000)</u> | <u>433,000</u> | <u>-</u> | <u>111,000</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(3,938,551)</u> | <u>13,254</u> | <u>6,149</u> | <u>(134,079)</u> | <u>145,982</u> | <u>(208,681)</u> | <u>(32,785)</u> | <u>(73,647)</u> | <u>(132,325)</u> |
| Cash and investments - ending | <u>\$ 104,596</u> | <u>\$ 231,395</u> | <u>\$ 21,518</u> | <u>\$ 525,594</u> | <u>\$ 180,107</u> | <u>\$ 71,072</u> | <u>\$ 745,863</u> | <u>\$ -</u> | <u>\$ (138,496)</u> |

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

| | Textbook Rental | Repair and Replacement | Child Care Program | Educational License Plates | Rowe Fund | Powers Trip Fund | Philanthropic | Elementary Tobacco Cessation | Adult and Continuing Education |
|---|--------------------|------------------------------|--------------------------|----------------------------------|--------------|------------------------|---------------|------------------------------------|---|
| Cash and investments - beginning | \$ 5,606 | \$ 485 | \$ 685 | \$ 145 | \$ - | \$ - | \$ - | \$ - | \$ 22,595 |
| Receipts: | | | | | | | | | |
| Local sources | 41,335 | - | 41,730 | - | 85 | 500 | - | - | 6,445 |
| Intermediate sources | - | - | - | 226 | - | - | - | - | - |
| State sources | 31,302 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - | - |
| Other | - | 2,756 | - | - | - | - | - | - | - |
| Total receipts | 72,637 | 2,756 | 41,730 | 226 | 85 | 500 | - | - | 6,445 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 78,636 | - | 36,512 | - | - | - | - | - | 4,521 |
| Support services | - | 1,751 | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Interfund loans | 35,000 | - | - | - | - | - | - | - | - |
| Total disbursements | 113,636 | 1,751 | 36,512 | - | - | - | - | - | 4,521 |
| Excess (deficiency) of receipts over disbursements | (40,999) | 1,005 | 5,218 | 226 | 85 | 500 | - | - | 1,924 |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | 200 | - | - | - | - | - | - | - | - |
| Transfers in | 79,576 | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 79,776 | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 38,777 | 1,005 | 5,218 | 226 | 85 | 500 | - | - | 1,924 |
| Cash and investments - ending | \$ 44,383 | \$ 1,490 | \$ 5,903 | \$ 371 | \$ 85 | \$ 500 | \$ - | \$ - | \$ 24,519 |

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

| | Miscellaneous Programs | Instruction Support | Secured Schools Safety Grant | Scholarships and Awards | Non-English Speaking Programs P.L. 273-1999 | School Technology | Greene County Consortium | Consortium 2010+ | Career Fair |
|---|---------------------------|------------------------|---------------------------------------|-------------------------------|--|----------------------|--------------------------------|---------------------|----------------|
| Cash and investments - beginning | \$ 8,560 | \$ (9,009) | \$ - | \$ 55 | \$ 75 | \$ 9,414 | \$ 15,517 | \$ 170,334 | \$ 1,800 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 133,051 | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | 26,556 | - | - | - | 4,839 | - | 1,570 | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 26,556 | - | - | - | 4,839 | - | 134,621 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | 29,941 | - | - | - | - | 278 | 150,269 | - |
| Support services | - | (12,394) | - | - | - | - | 5,769 | 7,200 | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | 17,547 | - | - | - | - | 6,047 | 157,469 | - |
| Excess (deficiency) of receipts over disbursements | - | 9,009 | - | - | - | 4,839 | (6,047) | (22,848) | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | 55 | - |
| Transfers out | - | - | - | (55) | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | (55) | - | - | - | 55 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 9,009 | - | (55) | - | 4,839 | (6,047) | (22,793) | - |
| Cash and investments - ending | \$ 8,560 | \$ - | \$ - | \$ - | \$ 75 | \$ 14,253 | \$ 9,470 | \$ 147,541 | \$ 1,800 |

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

| | Student Council Grant Fund | Ireland Healthy Lifestyle | E Rate | Innovation Planning Grant | Project Success | Title I FY 2011-2012 | Title I 2010-2011 | Title I 2012-2013 | Title I 2013-2014 |
|---|-------------------------------------|---------------------------------|-----------|---------------------------------|--------------------|-------------------------|----------------------|----------------------|----------------------|
| Cash and investments - beginning | \$ 1,000 | \$ 1,346 | \$ 53,741 | \$ - | \$ 343 | \$ (32,465) | \$ 31,255 | \$ - | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | - | 2,926 | 16,390 | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | 30,000 | - | - | - | - | - |
| Federal sources | - | - | - | - | - | 31,299 | - | 191,871 | - |
| Interfund loans | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 2,926 | 16,390 | 30,000 | - | 31,299 | - | 191,871 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | - | 3,343 | - | - | 12,199 | - | 173,478 | - |
| Support services | - | 3,540 | 34,098 | 18,569 | - | 15,914 | - | 8,676 | - |
| Noninstructional services | - | - | - | - | - | 1,976 | - | 4,583 | - |
| Facilities acquisition and construction | - | - | - | 3,790 | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | 5,014 | - |
| Interfund loans | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | 3,540 | 37,441 | 22,359 | - | 30,089 | - | 191,751 | - |
| Excess (deficiency) of receipts over disbursements | - | (614) | (21,051) | 7,641 | - | 1,210 | - | 120 | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | 31,255 | - | - | - |
| Transfers out | - | - | - | - | - | - | (31,255) | - | - |
| Total other financing sources (uses) | - | - | - | - | - | 31,255 | (31,255) | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (614) | (21,051) | 7,641 | - | 32,465 | (31,255) | 120 | - |
| Cash and investments - ending | \$ 1,000 | \$ 732 | \$ 32,690 | \$ 7,641 | \$ 343 | \$ - | \$ - | \$ 120 | \$ - |

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

| | Serve America | Drug Free Schools 2010-2011 | Drug Free Schools 2009-2010 | Vocational and Technical Board Grants | Enhanced Act Education Programs | Other Federal Programs | Improving Teaching Quality, No Child Left, Title II, Part A | ITQ, Enhanced Education Through Technology, Title II, Part D |
|---|------------------|--------------------------------------|--------------------------------------|---|--|------------------------------|--|---|
| Cash and investments - beginning | \$ 2,271 | \$ (22,935) | \$ 550 | \$ 78 | \$ 86 | \$ (3,025) | \$ (23,038) | \$ (169) |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | 157,500 | - | 726 | - |
| Intermediate sources | - | - | - | - | 2,618 | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | 36,902 | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total receipts | - | - | - | - | 160,118 | - | 37,628 | - |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | - | - | - | 143,661 | - | 48,384 | - |
| Support services | - | - | - | - | 27,252 | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | 3,034 | - | - | - |
| Debt services | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | 173,947 | - | 48,384 | - |
| Excess (deficiency) of receipts over disbursements | - | - | - | - | (13,829) | - | (10,756) | - |
| Other financing sources (uses): | | | | | | | | |
| 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 | - | - | - | - | (13,829) | - | (10,756) | - |
| Cash and investments - ending | \$ 2,271 | \$ (22,935) | \$ 550 | \$ 78 | \$ (13,743) | \$ (3,025) | \$ (33,794) | \$ (169) |

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

| | Rural Schools Achievement | Rural Schools and Low Income Program - Pass Through State | REMS Grant | Security Resource Officer | Special Education - Part B | Education Jobs | Payroll Withholdings | Totals |
|---|---------------------------------|--|---------------|---------------------------------|----------------------------------|-------------------|-------------------------|--------------|
| Cash and investments - beginning | \$ 500 | \$ (14,505) | \$ (61,556) | \$ - | \$ 40 | \$ - | \$ 220,053 | \$ 6,476,164 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 2,920,175 |
| Intermediate sources | - | - | - | - | - | - | - | 3,052 |
| State sources | - | - | - | - | - | - | - | 5,569,764 |
| Federal sources | - | 20,041 | 83,216 | - | - | 4,069 | - | 557,104 |
| Interfund loans | - | - | - | - | - | - | - | 110,000 |
| Other | - | - | - | - | - | - | 1,508,433 | 1,511,189 |
| Total receipts | - | 20,041 | 83,216 | - | - | 4,069 | 1,508,433 | 10,671,284 |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | 24,585 | 15,858 | - | - | 13,039 | - | 4,911,443 |
| Support services | - | 4,161 | - | - | - | (8,970) | - | 2,824,924 |
| Noninstructional services | - | - | - | - | - | - | - | 628,493 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 414,152 |
| Debt services | - | - | - | - | - | - | - | 4,569,646 |
| Nonprogrammed charges | - | - | 5,802 | - | - | - | 1,712,403 | 1,723,219 |
| Interfund loans | - | - | - | - | - | - | - | 110,000 |
| Total disbursements | - | 28,746 | 21,660 | - | - | 4,069 | 1,712,403 | 15,181,877 |
| Excess (deficiency) of receipts over disbursements | - | (8,705) | 61,556 | - | - | - | (203,970) | (4,510,593) |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | 200 |
| Transfers in | - | - | - | - | - | - | - | 914,466 |
| Transfers out | - | - | - | - | - | - | - | (914,466) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | 200 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (8,705) | 61,556 | - | - | - | (203,970) | (4,510,393) |
| Cash and investments - ending | \$ 500 | \$ (23,210) | \$ - | \$ - | \$ 40 | \$ - | \$ 16,083 | \$ 1,965,771 |

WHITE RIVER VALLEY SCHOOL DISTRICT
 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 | School Lunch |
|---|-------------------|-------------------|---|---------------------|--------------------------|------------------------------|-------------------|----------------------------------|------------------|
| Cash and investments - beginning | \$ 104,596 | \$ 231,395 | \$ 21,518 | \$ 525,594 | \$ 180,107 | \$ 71,072 | \$ 745,863 | \$ - | \$ (138,496) |
| Receipts: | | | | | | | | | |
| Local sources | 142,369 | 195,099 | 411,157 | 1,122,694 | 729,273 | 28,971 | - | - | 129,773 |
| Intermediate sources | 189 | - | - | - | - | - | - | - | - |
| State sources | 5,408,153 | - | - | - | - | - | - | - | 2,965 |
| Federal sources | - | - | - | - | - | - | - | - | 248,951 |
| Other | - | - | - | - | - | - | - | - | - |
| Total receipts | <u>5,550,711</u> | <u>195,099</u> | <u>411,157</u> | <u>1,122,694</u> | <u>729,273</u> | <u>28,971</u> | <u>-</u> | <u>-</u> | <u>381,689</u> |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 3,688,668 | - | - | - | 3,151 | - | - | - | - |
| Support services | 1,633,822 | - | - | 533,647 | 530,202 | - | - | - | 38,390 |
| Noninstructional services | 189,954 | - | - | - | - | - | - | - | 414,361 |
| Facilities acquisition and construction | - | - | - | 301,580 | 12,000 | - | - | - | - |
| Debt services | - | 160,000 | 303,353 | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | <u>5,512,444</u> | <u>160,000</u> | <u>303,353</u> | <u>835,227</u> | <u>545,353</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>452,751</u> |
| Excess (deficiency) of receipts over disbursements | <u>38,267</u> | <u>35,099</u> | <u>107,804</u> | <u>287,467</u> | <u>183,920</u> | <u>28,971</u> | <u>-</u> | <u>-</u> | <u>(71,062)</u> |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | 425 | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 225,000 | - | 225,000 |
| Transfers out | - | (10,352) | - | (200,000) | - | (25,000) | (225,000) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(10,352)</u> | <u>-</u> | <u>(200,000)</u> | <u>425</u> | <u>(25,000)</u> | <u>-</u> | <u>-</u> | <u>225,000</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>38,267</u> | <u>24,747</u> | <u>107,804</u> | <u>87,467</u> | <u>184,345</u> | <u>3,971</u> | <u>-</u> | <u>-</u> | <u>153,938</u> |
| Cash and investments - ending | <u>\$ 142,863</u> | <u>\$ 256,142</u> | <u>\$ 129,322</u> | <u>\$ 613,061</u> | <u>\$ 364,452</u> | <u>\$ 75,043</u> | <u>\$ 745,863</u> | <u>\$ -</u> | <u>\$ 15,442</u> |

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

| | Textbook Rental | Repair and Replacement | Child Care Program | Educational License Plates | Rowe Fund | Powers Trip Fund | Philanthropic | Elementary Tobacco Cessation | Adult and Continuing Education |
|---|--------------------|------------------------------|--------------------------|----------------------------------|--------------|------------------------|---------------|------------------------------------|---|
| Cash and investments - beginning | \$ 44,383 | \$ 1,490 | \$ 5,903 | \$ 371 | \$ 85 | \$ 500 | \$ - | \$ - | \$ 24,519 |
| Receipts: | | | | | | | | | |
| Local sources | 46,622 | 9,600 | 37,810 | - | 88 | 525 | 477 | - | 5,749 |
| Intermediate sources | - | - | - | 150 | - | - | - | 50 | - |
| State sources | 32,872 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other | - | 74,897 | - | - | - | - | - | - | (70) |
| Total receipts | 79,494 | 84,497 | 37,810 | 150 | 88 | 525 | 477 | 50 | 5,679 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 52,628 | - | 35,657 | - | - | - | 27 | - | 24,848 |
| Support services | - | 27,250 | - | - | - | 106 | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 52,628 | 27,250 | 35,657 | - | - | 106 | 27 | - | 24,848 |
| Excess (deficiency) of receipts over disbursements | 26,866 | 57,247 | 2,153 | 150 | 88 | 419 | 450 | 50 | (19,169) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | 10,352 | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 10,352 | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 37,218 | 57,247 | 2,153 | 150 | 88 | 419 | 450 | 50 | (19,169) |
| Cash and investments - ending | \$ 81,601 | \$ 58,737 | \$ 8,056 | \$ 521 | \$ 173 | \$ 919 | \$ 450 | \$ 50 | \$ 5,350 |

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

| | Miscellaneous Programs | Instruction Support | Secured Schools Safety Grant | Scholarships and Awards | Non-English Speaking Programs P.L. 273-1999 | School Technology | Greene County Consortium | Consortium 2010+ | Career Fair |
|---|---------------------------|------------------------|---------------------------------------|-------------------------------|--|----------------------|--------------------------------|---------------------|----------------|
| Cash and investments - beginning | \$ 8,560 | \$ - | \$ - | \$ - | \$ 75 | \$ 14,253 | \$ 9,470 | \$ 147,541 | \$ 1,800 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 60,000 | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | 27,554 | - | - | - | 4,836 | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 27,554 | - | - | - | 4,836 | - | 60,000 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | 40,356 | - | - | - | 76 | - | 30,482 | - |
| Support services | - | - | 8,970 | - | - | 1,336 | - | 3,000 | - |
| Noninstructional services | - | - | - | - | - | - | - | 93,858 | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | 40,356 | 8,970 | - | - | 1,412 | - | 127,340 | - |
| Excess (deficiency) of receipts over disbursements | - | (12,802) | (8,970) | - | - | 3,424 | - | (67,340) | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | 20,201 | - |
| Transfers out | - | - | - | - | - | - | - | (100,402) | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | (80,201) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (12,802) | (8,970) | - | - | 3,424 | - | (147,541) | - |
| Cash and investments - ending | \$ 8,560 | \$ (12,802) | \$ (8,970) | \$ - | \$ 75 | \$ 17,677 | \$ 9,470 | \$ - | \$ 1,800 |

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

| | Student Council Grant Fund | Ireland Healthy Lifestyle | E Rate | Innovation Planning Grant | Project Success | Title I FY 2011-2012 | Title I 2010-2011 | Title I 2012-2013 | Title I 2013-2014 |
|---|-------------------------------------|---------------------------------|-----------|---------------------------------|--------------------|-------------------------|----------------------|----------------------|----------------------|
| Cash and investments - beginning | \$ 1,000 | \$ 732 | \$ 32,690 | \$ 7,641 | \$ 343 | \$ - | \$ - | \$ 120 | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | - | - | 23,541 | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | 171,939 | 277,774 |
| Other | - | - | - | - | - | - | - | - | - |
| Total receipts | - | - | 23,541 | - | - | - | - | 171,939 | 277,774 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | - | 3,368 | - | - | - | - | 128,101 | 261,850 |
| Support services | - | - | 52,802 | 2,943 | - | - | - | 42,508 | 8,824 |
| Noninstructional services | - | - | - | - | - | - | - | 1,450 | 7,842 |
| Facilities acquisition and construction | - | - | - | 3,750 | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | 56,170 | 6,693 | - | - | - | 172,059 | 278,516 |
| Excess (deficiency) of receipts over disbursements | - | - | (32,629) | (6,693) | - | - | - | (120) | (742) |
| Other financing sources (uses): | | | | | | | | | |
| 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 | - | - | (32,629) | (6,693) | - | - | - | (120) | (742) |
| Cash and investments - ending | \$ 1,000 | \$ 732 | \$ 61 | \$ 948 | \$ 343 | \$ - | \$ - | \$ - | \$ (742) |

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

| | Serve America | Drug Free Schools 2010-2011 | Drug Free Schools 2009-2010 | Vocational and Technical Board Grants | Enhanced Act Education Programs | Other Federal Programs | Improving Teaching Quality, No Child Left, Title II, Part A | ITQ, Enhanced Education Through Technology, Title II, Part D |
|---|------------------|--------------------------------------|--------------------------------------|---|--|------------------------------|--|---|
| Cash and investments - beginning | \$ 2,271 | \$ (22,935) | \$ 550 | \$ 78 | \$ (13,743) | \$ (3,025) | \$ (33,794) | \$ (169) |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | 77,579 | - | 13,278 | - |
| Intermediate sources | - | - | - | - | 250 | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | 8,586 | - |
| Other | - | - | - | - | - | - | - | - |
| Total receipts | - | - | - | - | 77,829 | - | 21,864 | - |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | 12,313 | 550 | - | 135,807 | - | (11,336) | - |
| Support services | - | - | - | - | 23,479 | - | (4,170) | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | 74 | - | - | - |
| Debt services | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 12,313 | 550 | - | 159,360 | - | (15,506) | - |
| Excess (deficiency) of receipts over disbursements | - | (12,313) | (550) | - | (81,531) | - | 37,370 | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | 36,059 | - | - | 80,201 | - | - | - |
| Transfers out | - | - | - | - | - | - | (22,922) | - |
| Total other financing sources (uses) | - | 36,059 | - | - | 80,201 | - | (22,922) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 23,746 | (550) | - | (1,330) | - | 14,448 | - |
| Cash and investments - ending | \$ 2,271 | \$ 811 | \$ - | \$ 78 | \$ (15,073) | \$ (3,025) | \$ (19,346) | \$ (169) |

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

| | Rural Schools Achievement | Rural Schools and Low Income Program - Pass Through State | REMS Grant | Security Resource Officer | Special Education - Part B | Education Jobs | Payroll Withholdings | Totals |
|---|---------------------------------|--|---------------|---------------------------------|----------------------------------|-------------------|-------------------------|--------------|
| Cash and investments - beginning | \$ 500 | \$ (23,210) | \$ - | \$ - | \$ 40 | \$ - | \$ 16,083 | \$ 1,965,771 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 3,034,605 |
| Intermediate sources | - | - | - | - | - | - | - | 639 |
| State sources | - | - | - | - | - | - | - | 5,476,380 |
| Federal sources | - | 16,138 | - | - | - | - | - | 723,388 |
| Other | - | - | - | - | - | - | 1,711,316 | 1,786,143 |
| Total receipts | - | 16,138 | - | - | - | - | 1,711,316 | 11,021,155 |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | (18,086) | - | - | - | - | - | 4,388,460 |
| Support services | - | - | - | 2,820 | - | - | - | 2,905,929 |
| Noninstructional services | - | - | - | - | - | - | - | 707,465 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 317,404 |
| Debt services | - | - | - | - | - | - | - | 463,353 |
| Nonprogrammed charges | - | - | - | - | - | - | 1,663,829 | 1,663,829 |
| Total disbursements | - | (18,086) | - | 2,820 | - | - | 1,663,829 | 10,446,440 |
| Excess (deficiency) of receipts over disbursements | - | 34,224 | - | (2,820) | - | - | 47,487 | 574,715 |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | 425 |
| Transfers in | - | - | - | - | - | - | - | 596,813 |
| Transfers out | - | (13,137) | - | - | - | - | - | (596,813) |
| Total other financing sources (uses) | - | (13,137) | - | - | - | - | - | 425 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 21,087 | - | (2,820) | - | - | 47,487 | 575,140 |
| Cash and investments - ending | \$ 500 | \$ (2,123) | \$ - | \$ (2,820) | \$ 40 | \$ - | \$ 63,570 | \$ 2,540,911 |

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
As of June 30, 2014

| <u>Government or Enterprise</u> | <u>Accounts Payable</u> | <u>Accounts Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities | <u>\$ 274,055</u> | <u>\$ 22,213</u> |

WHITE RIVER VALLEY SCHOOL DISTRICT
 SCHEDULE OF LEASES AND DEBT
 As of June 30, 2014

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|--------------------------------|-----------------|----------------------------|----------------------------|-------------------------|
| Governmental activities: | | | | |
| Don Wilson | Lease Fuel Barn | \$ 12,000 | 7/1/2011 | 6/30/2015 |
| G E Capital | Copiers | <u>26,113</u> | 4/1/2010 | 3/31/2016 |
| Total governmental activities | | <u>38,113</u> | | |
| Total of annual lease payments | | <u>\$ 38,113</u> | | |

| Type | Description of Debt Purpose | Ending Principal Balance | Principal and Interest Due Within One Year |
|-------------------------------|-------------------------------------|--------------------------------|---|
| Governmental activities: | | | |
| General obligation bonds | Retirement/Severance Bonds | \$ 1,605,000 | \$ 301,841 |
| General obligation bonds | Qualified School Construction Bonds | <u>1,583,000</u> | <u>160,000</u> |
| Total governmental activities | | <u>3,188,000</u> | <u>461,841</u> |
| Totals | | <u>\$ 3,188,000</u> | <u>\$ 461,841</u> |

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WHITE RIVER VALLEY SCHOOL DISTRICT
 SCHEDULE OF CAPITAL ASSETS
 As of June 30, 2014

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

| | Ending Balance |
|------------------------------------|-------------------|
| Governmental activities: | |
| Land | \$ 129,000 |
| Buildings | 19,431,920 |
| Improvements other than buildings | 1,533,523 |
| Machinery, equipment, and vehicles | 4,071,515 |
| Total capital assets | \$ 25,165,958 |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 WHITE RIVER VALLEY SCHOOL DISTRICT, GREENE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the White River Valley School District'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, 2012 to June 30, 2014. 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, 2012 to June 30, 2014.

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 items 2014-002 and 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on 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 2014-002, 2014-003, and 2014-004 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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WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

| 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 06-30-13 | Total Federal Awards Expended 06-30-14 |
|---|-------------------------------------|---------------------------|--|---|---|
| <u>DEPARTMENT OF AGRICULTURE</u> | | | | | |
| Child Nutrition Cluster | | | | | |
| School Breakfast Program | Indiana Department of Education | 10.553 | | \$ 41,766 | \$ 56,237 |
| National School Lunch Program | Indiana Department of Education | 10.555 | | 171,367 | 216,965 |
| Total - Child Nutrition Cluster | | | | 213,133 | 273,202 |
| Total - Department of Agriculture | | | | 213,133 | 273,202 |
| <u>DEPARTMENT OF EDUCATION</u> | | | | | |
| Title I, Part A Cluster | | | | | |
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | 12-2980 | 31,295 | - |
| | | | 13-2980 | 191,871 | 171,939 |
| | | | 14-2980 | - | 277,774 |
| Total - Title I, Part A Cluster | | | | 223,166 | 449,713 |
| Special Education Cluster | | | | | |
| Special Education - Grants to States (IDEA, Part B) | Indiana Department of Education | 84.027 | 14211-024-PN01 | 10,147 | - |
| | | | 14212-024-PN01 | 38,272 | 7,230 |
| | | | 14213-024-PN01 | 138,442 | 64,890 |
| | | | 14214-024-PN01 | - | 116,292 |
| | | | 99914-024-PN01 | - | 3,169 |
| Total - Special Education - Grants to States (IDEA, Part B) | | | | 186,861 | 191,581 |
| Special Education - Preschool Grants (IDEA Preschool) | Indiana Department of Education | 84.173 | 45712-024-PN01 | 2,491 | - |
| | | | 45713-024-PN01 | 6,161 | 3,921 |
| | | | 45714-024-PN01 | - | 5,538 |
| Total - Special Education - Preschool Grants (IDEA Preschool) | | | | 8,652 | 9,459 |
| Total - Special Education Cluster | | | | 195,513 | 201,040 |
| Readiness and Emergency Management for Schools REMS Grant | Direct Grant | 84.184E | Q184E0100404 | 83,216 | - |
| Rural Education Rural & Low Income Program | Indiana Department of Education | 84.358 | FY 11 | 20,041 | 16,138 |
| Improving Teacher Quality State Grants | Indiana Department of Education | 84.367 | 11-2980 | 36,902 | 8,586 |
| Education Jobs Fund | Indiana Department of Education | 84.410 | FY 11-12 | 4,069 | - |
| Total - Department of Education | | | | 562,907 | 675,477 |
| Total federal awards expended | | | | \$ 776,040 | \$ 948,679 |

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

WHITE RIVER VALLEY SCHOOL DISTRICT
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 ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the SEFA.

| Program Title | Federal CFDA Number | 2013 | 2014 |
|-------------------------------|---------------------------|------------------|------------------|
| Child Nutrition Cluster: | | | |
| Food Commodities: | | | |
| National School Lunch Program | 10.555 | \$ <u>23,427</u> | \$ <u>24,251</u> |

WHITE RIVER VALLEY SCHOOL DISTRICT
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? | yes |

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

Title I, Part A 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 2014-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

There were several 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 cash and receipts. One person was solely responsible for the preparation of the bank reconciliations and for all aspects of the receipt process, including issuing receipts, depositing the funds, and recording the transactions in the records. There was no segregation of duties, such as an oversight, review, or approval process. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. Control activities should have been in place to reduce the risks of errors in financial reporting.

WHITE RIVER VALLEY SCHOOL DISTRICT
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 would 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.

3. **Preparation of the Schedule of Expenditures of Federal Awards (SEFA):** The School Corporation did not have a proper system of internal control in place to prevent or detect errors on the SEFA. During the audit of the SEFA, there were the following errors: a Readiness and Emergency Management for Schools direct grant awarded by the Department of Education had not been listed for FY2013; the Child Nutrition Cluster funds awarded by the Department of Agriculture had not been listed for FY2014 and commodities had been omitted for both fiscal years; Title I Grants to Local Educational Agencies awards from the Department of Education had not been listed with the accurate amount of the award for FY2014. Audit adjustments of \$935,059 were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. 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 award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual 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.

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(Continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall 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.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - CASH MANAGEMENT, REPORTING, AND PERIOD OF AVAILABILITY

Federal Agency: Department of Education

Federal Programs: Special Education - Grants to States (IDEA, Part B),
Special Education - Preschool Grants (IDEA Preschool)

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years: 14211-024-PN01, 14212-024-PN01, 14213-024-PN01,
14214-024-PN01, 99914-024-PN01, 45712-024-PN01,
45713-024-PN01, 45714-024-PN01

Pass-Through Entity: Indiana Department of Education

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the Special Education programs and managed the Special Education grant funds.

Management of the Cooperative had not established an effective internal control system, which includes segregation of duties, related to the grant agreement and the Cash Management, Reporting, and Period of Availability compliance requirements that have a direct and material effect on the programs.

The failure to establish an effective internal control system placed the Cooperative 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.

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

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(Continued)

accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. 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. . . ."

Requests for Reimbursement were prepared and filed by the Cooperative's Treasurer. The Cooperative had not designed or implemented adequate policies and procedures to ensure that required reports were accurately prepared, that the expenditures submitted for reimbursement were paid prior to the request, and that all obligations for expenditures made from program funds were incurred and liquidated during the period of availability.

There were the following instances of noncompliance:

The period of availability to obligate the funds for Federal Award Number 14211-024-PN01, was July 1, 2010 through September 30, 2012; the Cooperative had until December 15, 2012, to spend the funds obligated by September 30, 2012.

On September 28, 2012, the Cooperative encumbered \$82,112 for an office renovation project that was going to be paid from the grant. The final reimbursement request for the grant was made by the Cooperative on December 15, 2012, for \$75,724.93, which equaled the remaining unclaimed balance of the grant award amount. Documentation provided by the Cooperative to support the disbursements made for the renovation project and claimed on the reimbursement request totaled \$59,655.64 that was paid November 26, 2012 to March 12, 2013. Of the amount claimed in December 2012 for the grant \$16,069.19 was not supported by actual expenditures and was considered a questioned cost. The portion of the \$16,069.19 considered to be questioned costs allocable to the School Corporation was \$1,904.20.

In addition, of the payments made to support the December reimbursement request, \$57,899.74 was made after December 15, 2012, the cutoff date for the liquidation of obligations for the grant, and was, therefore, made outside the period of availability. The portion of the payments that were allocable to the School Corporation was \$6,861.12.

34 CFR 80.21 states in part:

". . . (b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205. . . ."

(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. . . ."

31 CFR 205.12(b)(5) states: "Reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes."

WHITE RIVER VALLEY SCHOOL DISTRICT
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(Continued)

34 CFR 80.23 states:

"(a) *General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) *Liquidation of obligations.* A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

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

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative.

FINDING 2014-003 - LEVEL OF EFFORT

Federal Agency: Department of Education

Federal Programs: Special Education - Grants to States (IDEA, Part B),
Special Education - Preschool Grants (IDEA Preschool)

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years: 14211-024-PN01, 14212-024-PN01, 14213-024-PN01,
14214-024-PN01, 99914-024-PN01, 45712-024-PN01,
45713-024-PN01, 45714-024-PN01

Pass-Through Entity: Indiana Department of Education

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program and managed the Special Education grant funds. The School Corporation was responsible for maintaining level of effort.

Management of the School Corporation had not established an effective internal control system for the Special Education program related to the grant agreement and the Level of Effort compliance requirement. There was no segregation of duties, such as an oversight, review, or approval process to ensure information was submitted and correctly reported.

The failure to establish an effective internal control system placed the 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 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.

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. . . ."

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirement could result 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 requirement listed above.

FINDING 2014-004 - ALLOWABLE COSTS/COST PRINCIPLES AND REPORTING

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Number): 12-2980, 13-2980, 14-2980

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: Allowable Costs/Cost Principles and Reporting.

The School Corporation did not have a system in place to ensure compliance with time and effort reporting. Semi-Annual Certifications for employees that worked solely on the Title I program were not all signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee.

The Request for Reimbursement reports were prepared by the Treasurer and submitted electronically via the Indiana Department of Education (IDOE) website. The Treasurer also submitted the Final Expenditure Report. There was no segregation of duties, such as an oversight, review, or approval process to ensure information was submitted and correctly reported.

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 program.

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. . . ."

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-87, Attachment B, Section 8(h)(3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee."

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

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance and comply with the Allowable Costs/Cost Principles and Reporting requirements of the program.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

WHITE RIVER VALLEY SCHOOL DISTRICT

"Home of the Wolverines"

Mr. Robert M. Hacker, Superintendent
Mrs. Jayne Kaho, Treasurer
Mrs. Michelle Emmons, Payroll

5644 West State Road 54
PO Box 1470
Switz City, Indiana 4746

Board of Education
Mr. Jason Davidson, President
Mr. Andy Davis, VP
Mr. Chris Cornelius, Secretary
Mr. Joe Decker
Mr. Brock Hostetter
Mr. David Reed
Mr. Roger Shake

Corrective Action Plan

Finding 2014-001

Contact Person Responsible for Corrective Action: Mrs. Jayne Kaho, WRV Treasurer

Contact Phone Number: 812-659-1424

Description of Corrective Action Plan:

- 1. Lack of Segregation of Duties:** The corporation treasurer will issue receipts, make deposits, and post transactions. The deputy treasurer will review the receipts, deposits, and transactions listing before the receipts are posted. The superintendent will review and approve the monthly bank reconciliations. The lunchroom supervisor will issue, record, and reconcile receipts and disbursements for the lunchroom accounts. Another lunchroom employee will review the receipts and disbursements. The information will then be taken to the building ECA treasurer who will do the same.
- 2. Monitoring of Controls:** The corporation treasurer and superintendent will develop a system of internal control, including segregation of duties, and monitor it periodically to ensure that employees are following procedures. The plan will be developed and updated to ensure effectiveness. The Board of Education will pass an Internal Control Policy that directs the superintendent to implement the plan.
- 3. Preparation of the Schedule of Expenditures of Federal Awards (SEFA):** The corporation treasurer will meet with the employee directly responsible for the Federal grants of each entity to align a process that will provide checks and balances over the various amounts included in the grant awards and the expenditures that are made within those grants.

Anticipated Completion Date:

- 1. Immediately**
- 2. Immediately and throughout the year as operating procedures are completed. Policy Adopted in April and May Board of Education Public Meetings.**
- 3. June 30, 2016**

Finding 2014-002

Contact Person Responsible for the Corrective Action: Mrs. Jayne Kaho, WRV Treasurer

Contact Phone Number: 812-659-1424

Description of Corrective Action Plan:

- 1. Internal Control over Level of Effort:** The corporation treasurer must go into appropriate detail regarding the keeping of documentation in regards to monetary amounts brought in and expended in regards to any grants

received through the Greene-Sullivan Special Education Cooperative. The superintendent will review the monthly grant reconciliation to ensure proper documentation regarding revenue and expenditures is kept accordingly.

Anticipated Completion Date:

1. Immediately

Finding 2014-003

Contact Person Responsible for the Corrective Action: Mrs. Jayne Kaho, WRV Treasurer

Contact Phone Number: 812-659-1424

Description of Corrective Action Plan:

1. Internal Control System Established between School District and Special Education Cooperative: The corporation treasurer and superintendent will develop a system of internal control that establishes a checks and balances over monetary and enrollment numbers ADM amounts that shall include the treasurer of the Greene-Sullivan Special Education Co-operative.

Anticipated Completion Date:

1. Immediately

Finding 2014-004

Contact Person Responsible for the Corrective Action: Mrs. Jayne Kaho, WRV Treasurer


Contact Phone Number: 812-659-1424

Description of Corrective Action Plan:

1. Internal Control over Title 1 Grant to Local Education Agencies: The corporation must segregate duties between the corporation treasurer and the Title 1 grant supervisor. The time and effort semi-annual certifications must be signed by both the employees employed by the Title 1 grant and the supervisory official of the grant. Verification of reimbursement must be signed by both the treasurer and the Title 1 Supervisor. The final expenditure report must be reviewed and signed by the Title 1 grant supervisor, the corporation treasurer and the superintendent. The tracking system for reimbursement must be reviewed and signed off on by the Title 1 grant supervisor and the corporation treasurer.

Anticipated Completion Date:

1. Immediately



Mrs. Jayne Kaho

Treasurer

Treasurer

04/14/16

Date

OTHER REPORTS

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