

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WABASH CITY SCHOOLS
WABASH COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
08/18/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michele L. Hough	07-01-13 to 06-30-16
Superintendent of Schools	Jason A. Callahan	07-01-13 to 06-30-16
President of the School Board	William S. Konyha Brandon France Kimberly A. Pinkerton	01-01-13 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WABASH CITY SCHOOLS, WABASH COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 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

May 23, 2016



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

TO: THE OFFICIALS OF THE WABASH CITY SCHOOLS, WABASH 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 Wabash City Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated May 23, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2015-002.

Wabash City Schools' 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

May 23, 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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WABASH CITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 1,987,361	\$ 10,691,563	\$ 11,906,924	\$ (406,777)	\$ 365,223	\$ 10,462,428	\$ 10,702,820	\$ 106,916	\$ 231,747
Debt Service	399,494	1,309,696	1,243,711	-	465,479	822,087	1,067,866	-	219,700
Capital Projects	198,213	992,993	718,710	-	472,496	774,765	915,342	-	331,919
Transportation Operating	462,636	539,730	501,607	-	500,759	550,808	630,908	-	420,659
School Bus Replacement	49,301	161,705	112,984	-	98,022	154,897	243,373	-	9,546
Rainy Day	233,318	-	49,748	-	183,570	100,000	25,419	-	258,151
Construction	22,551	-	22,551	-	-	-	-	-	-
School Lunch	47,622	1,010,416	1,050,436	-	7,602	962,021	968,000	-	1,623
Textbook Rental	183,371	236,331	227,073	-	192,629	253,863	175,956	11,250	281,786
Levy Excess	1	-	1	-	-	-	-	-	-
Alternative Education	8,264	5,810	3,759	-	10,315	7,705	4,076	-	13,944
Early Intervention Grant	13	-	-	-	13	-	-	-	13
Protected Fund - Trust Indiana	-	20	-	413,183	413,203	191	-	-	413,394
Daymude Tutoring Program	12,210	27,000	32,210	-	7,000	32,480	20,000	-	19,480
Wells Fargo / Yopst Special Grant	-	-	-	-	-	21,125	7,304	-	13,821
Community Foundation Grant - Door Openers	94	-	94	-	-	-	-	-	-
Scholarships and Awards - Burcroff	2,258	-	-	-	2,258	-	-	-	2,258
Scholarships and Awards - Shand	2,074	-	-	-	2,074	-	-	-	2,074
Construction - General Obligation Bond 2015	-	-	-	-	-	-	174,449	992,117	817,668
Clearing - Donation Turnarounds	406	736,148	736,479	-	75	703,297	703,372	-	-
Dental	1,899	-	660	-	1,239	-	-	-	1,239
Project Lead the Way Grant	-	-	-	-	-	-	-	-	-
Gifted and Talented	8,003	29,925	32,905	-	5,023	30,393	35,166	-	250
Secured Schools Safety Grant	-	-	14,688	-	(14,688)	50,751	36,063	-	-
Non-English Speaking Programs P.L. 273-1999	1,041	-	-	-	1,041	733	567	-	1,207
School Technology	956	-	-	-	956	-	-	-	956
Classroom Innovation in Math	253	-	-	-	253	-	-	-	253
State Connectivity: Technology	1,011	3,617	2,751	-	1,877	-	580	-	1,297
Performance Based Awards	-	71,220	71,220	-	-	26,474	26,474	-	-
C.L.A.S.S. Grant	839	-	805	-	34	-	-	-	34
Visual and Performing Arts	22,737	690	23,427	-	-	-	-	-	-
VPA: Wabash Valley Youth Orchestra	414	-	414	-	-	-	-	-	-
Title I 10-11	(1)	1	-	-	-	-	-	-	-
PL 107-110 ECIA Title I 11-12	(3)	3	-	-	-	-	-	-	-
Title I 2012-13	(25,442)	86,084	60,642	-	-	-	-	-	-
Title I 2013-14	-	236,310	282,662	-	(46,352)	81,393	35,041	-	-
Title I 2014-15	-	-	-	-	-	230,583	251,185	-	(20,602)
Title V Part A Innovative Strategies 07-08	1,988	-	-	-	1,988	-	-	-	1,988
Title VI 2001-02 PL103-382	29	-	-	-	29	-	-	-	29
Improving Teaching Quality, Title II, Part A	13,646	46,882	76,720	-	(16,192)	118,705	98,759	-	3,754
Education Through Technology, Title II, Part D	(1)	1	-	-	-	-	-	-	-
Enhancing Education Through Technology CAD3	1	-	1	-	-	-	-	-	-
Rural Schools and Low Income Program	-	1,266	1,265	-	1	27,975	27,976	-	-
Title III - Language Instruction	1,407	-	-	-	1,407	-	-	-	1,407
Education Jobs	1	-	1	-	-	-	-	-	-
Clearing - Cafeteria Prepaid	8,546	137,524	136,668	-	9,402	281,335	277,487	-	13,250
Clearing - Payroll Withholdings	46,219	2,172,854	2,148,436	-	70,637	2,071,834	2,072,142	-	70,329
Clearing - Cafeteria Payroll Withholdings	1,887	97,792	97,335	-	2,344	91,830	91,803	-	2,371
Totals	\$ 3,694,617	\$ 18,595,581	\$ 19,556,887	\$ 6,406	\$ 2,739,717	\$ 17,857,673	\$ 18,592,128	\$ 1,110,283	\$ 3,115,545

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

WABASH CITY SCHOOLS
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 may 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.

WABASH CITY SCHOOLS
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.

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 may include the following uses:

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

Proceeds of long-term debt, which includes money received in relation to the issuance of bonds or other long-term debt issues.

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

WABASH CITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

WABASH CITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

WABASH CITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plan

The School Corporation also contributes 3 percent of an annual salary on a monthly basis for each certified employee to additional pension plan (401(b) plan) unique to the School Corporation. The certified employee must be employed for ten years to be vested 100 percent in this plan.

Information regarding these plans may be obtained from the School Corporation.

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of errors made in the prior period 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.

WABASH CITY SCHOOLS
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 the funds being set up for reimbursable grants.

Note 9. Holding Corporations

The School Corporation has entered into a capital lease (2011A) with the Wabash City Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years June 30, 2014 and 2015, totaled \$115,500 and \$142,000, respectively.

The School Corporation has entered into a capital lease (2011B) with the Wabash City Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years June 30, 2014 and 2015, totaled \$138,000 and \$120,000, respectively.

The School Corporation has entered into a capital lease (2014A) with the Wabash City Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years June 30, 2014 and 2015, totaled \$136,250 and \$176,000, respectively.

The School Corporation has entered into a capital lease (2014B) with the Wabash City Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years June 30, 2014 and 2015, totaled \$0 and \$1,250, respectively.

Note 10. Other Postemployment Benefits

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

WABASH CITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 11. Combined Funds

Clearing fund categories were reported individually in the current financial statement, but were combined into one fund in the prior financial statement.

Note 12. Subsequent Events

The School Corporation entered into a capital lease of \$536,000 with Crossroads Bank on May 16, 2016, to purchase one computer per student.

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.

WABASH CITY SCHOOLS
 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	Capital Projects	Transportation Operating	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 1,987,361	\$ 399,494	\$ 198,213	\$ 462,636	\$ 49,301	\$ 233,318	\$ 22,551
Receipts:							
Local sources	207,900	1,309,696	970,442	525,769	161,705	-	-
Intermediate sources	2,597	-	-	-	-	-	-
State sources	10,445,659	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	35,407	-	22,551	13,961	-	-	-
Total receipts	<u>10,691,563</u>	<u>1,309,696</u>	<u>992,993</u>	<u>539,730</u>	<u>161,705</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	7,427,434	-	-	-	-	4,021	-
Support services	3,847,675	-	362,595	501,607	112,984	45,727	22,551
Noninstructional services	192,327	-	3,750	-	-	-	-
Facilities acquisition and construction	1,350	-	209,328	-	-	-	-
Debt services	438,138	1,243,711	143,037	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,906,924</u>	<u>1,243,711</u>	<u>718,710</u>	<u>501,607</u>	<u>112,984</u>	<u>49,748</u>	<u>22,551</u>
Excess (deficiency) of receipts over disbursements	<u>(1,215,361)</u>	<u>65,985</u>	<u>274,283</u>	<u>38,123</u>	<u>48,721</u>	<u>(49,748)</u>	<u>(22,551)</u>
Other financing sources (uses):							
Sale of capital assets	6,406	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(413,183)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(406,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,622,138)</u>	<u>65,985</u>	<u>274,283</u>	<u>38,123</u>	<u>48,721</u>	<u>(49,748)</u>	<u>(22,551)</u>
Cash and investments - ending	<u>\$ 365,223</u>	<u>\$ 465,479</u>	<u>\$ 472,496</u>	<u>\$ 500,759</u>	<u>\$ 98,022</u>	<u>\$ 183,570</u>	<u>\$ -</u>

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Alternative Education	Early Intervention Grant	Protected Fund - Trust Indiana	Daymude Tutoring Program
Cash and investments - beginning	\$ 47,622	\$ 183,371	\$ 1	\$ 8,264	\$ 13	\$ -	\$ 12,210
Receipts:							
Local sources	363,560	168,452	-	-	-	20	27,000
Intermediate sources	-	-	-	-	-	-	-
State sources	6,317	67,879	-	5,810	-	-	-
Federal sources	638,072	-	-	-	-	-	-
Other receipts	2,467	-	-	-	-	-	-
Total receipts	1,010,416	236,331	-	5,810	-	20	27,000
Disbursements:							
Instruction	1,200	-	-	852	-	-	-
Support services	71,801	227,073	-	2,907	-	-	32,210
Noninstructional services	977,050	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	385	-	-	-	-	-	-
Nonprogrammed charges	-	-	1	-	-	-	-
Total disbursements	1,050,436	227,073	1	3,759	-	-	32,210
Excess (deficiency) of receipts over disbursements	(40,020)	9,258	(1)	2,051	-	20	(5,210)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	413,183	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	413,183	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(40,020)	9,258	(1)	2,051	-	413,203	(5,210)
Cash and investments - ending	\$ 7,602	\$ 192,629	\$ -	\$ 10,315	\$ 13	\$ 413,203	\$ 7,000

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Wells Fargo Yopst / Special Grant	Community Foundation Grant - Door Openers	Scholarships and Awards - Burcroff	Scholarships and Awards - Shand	Construction - General Obligation Bond 2015	Clearing - Donation Turnarounds	Dental
Cash and investments - beginning	\$ -	\$ 94	\$ 2,258	\$ 2,074	\$ -	\$ 406	\$ 1,899
Receipts:							
Local sources	-	-	-	-	-	736,148	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	736,148	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	94	-	-	-	736,479	660
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	94	-	-	-	736,479	660
Excess (deficiency) of receipts over disbursements	-	(94)	-	-	-	(331)	(660)
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	-	(94)	-	-	-	(331)	(660)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,258</u>	<u>\$ 2,074</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 1,239</u>

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Project Lead the Way Grant	Gifted and Talented	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Classroom Innovation in Math	State Connectivity: Technology
Cash and investments - beginning	\$ -	\$ 8,003	\$ -	\$ 1,041	\$ 956	\$ 253	\$ 1,011
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	29,925	-	-	-	-	3,617
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	29,925	-	-	-	-	3,617
Disbursements:							
Instruction	-	26,959	14,688	-	-	-	-
Support services	-	5,946	-	-	-	-	2,751
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	32,905	14,688	-	-	-	2,751
Excess (deficiency) of receipts over disbursements	-	(2,980)	(14,688)	-	-	-	866
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	-	(2,980)	(14,688)	-	-	-	866
Cash and investments - ending	\$ -	\$ 5,023	\$ (14,688)	\$ 1,041	\$ 956	\$ 253	\$ 1,877

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Performance Based Awards	C.L.A.S.S. Grant	Visual and Performing Arts	VPA: Wabash Valley Youth Orchestra	Title I 10-11	PL 107-110 ECIA Title I 11-12	Title I 2012-13
Cash and investments - beginning	\$ -	\$ 839	\$ 22,737	\$ 414	\$ (1)	\$ (3)	\$ (25,442)
Receipts:							
Local sources	-	-	690	-	-	-	26
Intermediate sources	-	-	-	-	-	-	-
State sources	71,220	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	86,058
Other receipts	-	-	-	-	1	3	-
Total receipts	71,220	-	690	-	1	3	86,084
Disbursements:							
Instruction	71,220	805	6,306	-	-	-	60,319
Support services	-	-	17,121	414	-	-	323
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	71,220	805	23,427	414	-	-	60,642
Excess (deficiency) of receipts over disbursements	-	(805)	(22,737)	(414)	1	3	25,442
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	-	(805)	(22,737)	(414)	1	3	25,442
Cash and investments - ending	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Title I 2013-14	Title I 2014-15	Title V Part A Innovative Strategies 07-08	Title VI 2001-02 PL103-382	Improving Teaching Quality, Title II, Part A	Education Through Technology, Title II, Part D	Enhancing Education Through Technology CAD3
Cash and investments - beginning	\$ -	\$ -	\$ 1,988	\$ 29	\$ 13,646	\$ (1)	\$ 1
Receipts:							
Local sources	-	-	-	-	3,200	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	236,310	-	-	-	43,162	-	-
Other receipts	-	-	-	-	520	1	-
Total receipts	236,310	-	-	-	46,882	1	-
Disbursements:							
Instruction	277,125	-	-	-	-	-	-
Support services	4,133	-	-	-	76,720	-	-
Noninstructional services	1,404	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1
Total disbursements	282,662	-	-	-	76,720	-	1
Excess (deficiency) of receipts over disbursements	(46,352)	-	-	-	(29,838)	1	(1)
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	(46,352)	-	-	-	(29,838)	1	(1)
Cash and investments - ending	\$ (46,352)	\$ -	\$ 1,988	\$ 29	\$ (16,192)	\$ -	\$ -

WABASH CITY SCHOOLS
 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 and Low Income Program	Title III - Language Instruction	Education Jobs	Clearing - Cafeteria Prepaid	Clearing - Payroll Withholdings	Clearing - Cafeteria Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 1,407	\$ 1	\$ 8,546	\$ 46,219	\$ 1,887	\$ 3,694,617
Receipts:							
Local sources	-	-	-	-	-	-	4,474,608
Intermediate sources	-	-	-	-	-	-	2,597
State sources	-	-	-	-	-	-	10,630,427
Federal sources	1,266	-	-	-	-	-	1,004,868
Other receipts	-	-	-	137,524	2,172,854	97,792	2,483,081
Total receipts	1,266	-	-	137,524	2,172,854	97,792	18,595,581
Disbursements:							
Instruction	-	-	-	-	-	-	7,890,929
Support services	1,265	-	-	-	-	-	6,073,036
Noninstructional services	-	-	-	-	-	-	1,174,531
Facilities acquisition and construction	-	-	-	-	-	-	210,678
Debt services	-	-	-	-	-	-	1,825,271
Nonprogrammed charges	-	-	1	136,668	2,148,436	97,335	2,382,442
Total disbursements	1,265	-	1	136,668	2,148,436	97,335	19,556,887
Excess (deficiency) of receipts over disbursements	1	-	(1)	856	24,418	457	(961,306)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	6,406
Transfers in	-	-	-	-	-	-	413,183
Transfers out	-	-	-	-	-	-	(413,183)
Total other financing sources (uses)	-	-	-	-	-	-	6,406
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	-	(1)	856	24,418	457	(954,900)
Cash and investments - ending	\$ 1	\$ 1,407	\$ -	\$ 9,402	\$ 70,637	\$ 2,344	\$ 2,739,717

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Capital Projects	Transportation Operating	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 365,223	\$ 465,479	\$ 472,496	\$ 500,759	\$ 98,022	\$ 183,570	\$ -
Receipts:							
Local sources	219,999	822,087	774,765	550,808	154,897	-	-
Intermediate sources	12,068	-	-	-	-	-	-
State sources	10,135,142	-	-	-	-	-	-
Federal sources	6,429	-	-	-	-	-	-
Other receipts	88,790	-	-	-	-	100,000	-
Total receipts	<u>10,462,428</u>	<u>822,087</u>	<u>774,765</u>	<u>550,808</u>	<u>154,897</u>	<u>100,000</u>	<u>-</u>
Disbursements:							
Instruction	6,915,880	-	-	-	-	-	-
Support services	3,555,544	-	695,714	630,908	243,373	25,419	-
Noninstructional services	231,396	-	69,990	-	-	-	-
Facilities acquisition and construction	-	-	132,800	-	-	-	-
Debt services	-	1,067,866	16,838	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>10,702,820</u>	<u>1,067,866</u>	<u>915,342</u>	<u>630,908</u>	<u>243,373</u>	<u>25,419</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(240,392)</u>	<u>(245,779)</u>	<u>(140,577)</u>	<u>(80,100)</u>	<u>(88,476)</u>	<u>74,581</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	106,916	-	-	-	-	-	-
Total other financing sources (uses)	<u>106,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(133,476)</u>	<u>(245,779)</u>	<u>(140,577)</u>	<u>(80,100)</u>	<u>(88,476)</u>	<u>74,581</u>	<u>-</u>
Cash and investments - ending	<u>\$ 231,747</u>	<u>\$ 219,700</u>	<u>\$ 331,919</u>	<u>\$ 420,659</u>	<u>\$ 9,546</u>	<u>\$ 258,151</u>	<u>\$ -</u>

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Alternative Education	Early Intervention Grant	Protected Fund - Trust Indiana	Daymude Tutoring Program
Cash and investments - beginning	\$ 7,602	\$ 192,629	\$ -	\$ 10,315	\$ 13	\$ 413,203	\$ 7,000
Receipts:							
Local sources	340,024	186,265	-	-	-	191	32,480
Intermediate sources	-	-	-	-	-	-	-
State sources	6,437	67,598	-	7,705	-	-	-
Federal sources	613,512	-	-	-	-	-	-
Other receipts	2,048	-	-	-	-	-	-
Total receipts	<u>962,021</u>	<u>253,863</u>	<u>-</u>	<u>7,705</u>	<u>-</u>	<u>191</u>	<u>32,480</u>
Disbursements:							
Instruction	1,275	-	-	4,076	-	-	-
Support services	9,648	175,956	-	-	-	-	20,000
Noninstructional services	957,077	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>968,000</u>	<u>175,956</u>	<u>-</u>	<u>4,076</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Excess (deficiency) of receipts over disbursements	<u>(5,979)</u>	<u>77,907</u>	<u>-</u>	<u>3,629</u>	<u>-</u>	<u>191</u>	<u>12,480</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	11,250	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>11,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,979)</u>	<u>89,157</u>	<u>-</u>	<u>3,629</u>	<u>-</u>	<u>191</u>	<u>12,480</u>
Cash and investments - ending	<u>\$ 1,623</u>	<u>\$ 281,786</u>	<u>\$ -</u>	<u>\$ 13,944</u>	<u>\$ 13</u>	<u>\$ 413,394</u>	<u>\$ 19,480</u>

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Wells Fargo Yopst / Special Grant	Community Foundation Grant - Door Openers	Scholarships and Awards - Burcroff	Scholarships and Awards - Shand	Construction - General Obligation Bond 2015	Clearing - Donation Turnarounds	Dental
Cash and investments - beginning	\$ -	\$ -	\$ 2,258	\$ 2,074	\$ -	\$ 75	\$ 1,239
Receipts:							
Local sources	21,125	-	-	-	-	703,297	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>21,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>703,297</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	7,304	-	-	-	174,449	703,372	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>7,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,449</u>	<u>703,372</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>13,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,449)</u>	<u>(75)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	992,117	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>992,117</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>13,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>817,668</u>	<u>(75)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 13,821</u>	<u>\$ -</u>	<u>\$ 2,258</u>	<u>\$ 2,074</u>	<u>\$ 817,668</u>	<u>\$ -</u>	<u>\$ 1,239</u>

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Project Lead the Way Grant	Gifted and Talented	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Classroom Innovation in Math	State Connectivity: Technology
Cash and investments - beginning	\$ -	\$ 5,023	\$ (14,688)	\$ 1,041	\$ 956	\$ 253	\$ 1,877
Receipts:							
Local sources	-	193	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	30,200	50,751	733	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	30,393	50,751	733	-	-	-
Disbursements:							
Instruction	-	34,500	36,063	567	-	-	-
Support services	-	666	-	-	-	-	580
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	35,166	36,063	567	-	-	580
Excess (deficiency) of receipts over disbursements	-	(4,773)	14,688	166	-	-	(580)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,773)	14,688	166	-	-	(580)
Cash and investments - ending	\$ -	\$ 250	\$ -	\$ 1,207	\$ 956	\$ 253	\$ 1,297

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Performance Based Awards	C.L.A.S.S. Grant	Visual and Performing Arts	VPA: Wabash Valley Youth Orchestra	Title I 10-11	PL 107-110 ECIA Title I 11-12	Title I 2012-13
Cash and investments - beginning	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	26,474	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	26,474	-	-	-	-	-	-
Disbursements:							
Instruction	26,474	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	26,474	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Title I 2013-14	Title I 2014-15	Title V Part A Innovative Strategies 07-08	Title VI 2001-02 PL103-382	Improving Teaching Quality, Title II, Part A	Education Through Technology, Title II, Part D	Enhancing Education Through Technology CAD3
Cash and investments - beginning	\$ (46,352)	\$ -	\$ 1,988	\$ 29	\$ (16,192)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	725	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	81,393	230,583	-	-	117,980	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>81,393</u>	<u>230,583</u>	<u>-</u>	<u>-</u>	<u>118,705</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	34,294	238,234	-	-	-	-	-
Support services	747	11,960	-	-	98,759	-	-
Noninstructional services	-	991	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>35,041</u>	<u>251,185</u>	<u>-</u>	<u>-</u>	<u>98,759</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>46,352</u>	<u>(20,602)</u>	<u>-</u>	<u>-</u>	<u>19,946</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>46,352</u>	<u>(20,602)</u>	<u>-</u>	<u>-</u>	<u>19,946</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (20,602)</u>	<u>\$ 1,988</u>	<u>\$ 29</u>	<u>\$ 3,754</u>	<u>\$ -</u>	<u>\$ -</u>

WABASH CITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Rural Schools and Low Income Program	Title III - Language Instruction	Education Jobs	Clearing - Cafeteria Prepaid	Clearing - Payroll Withholdings	Clearing - Cafeteria Payroll Withholdings	Totals
Cash and investments - beginning	\$ 1	\$ 1,407	\$ -	\$ 9,402	\$ 70,637	\$ 2,344	\$ 2,739,717
Receipts:							
Local sources	-	-	-	-	-	-	3,806,856
Intermediate sources	-	-	-	-	-	-	12,068
State sources	-	-	-	-	-	-	10,325,040
Federal sources	27,975	-	-	-	-	-	1,077,872
Other receipts	-	-	-	281,335	2,071,834	91,830	2,635,837
Total receipts	27,975	-	-	281,335	2,071,834	91,830	17,857,673
Disbursements:							
Instruction	-	-	-	-	-	-	7,291,363
Support services	27,976	-	-	-	-	-	6,382,375
Noninstructional services	-	-	-	-	-	-	1,259,454
Facilities acquisition and construction	-	-	-	-	-	-	132,800
Debt services	-	-	-	-	-	-	1,084,704
Nonprogrammed charges	-	-	-	277,487	2,072,142	91,803	2,441,432
Total disbursements	27,976	-	-	277,487	2,072,142	91,803	18,592,128
Excess (deficiency) of receipts over disbursements	(1)	-	-	3,848	(308)	27	(734,455)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	992,117
Sale of capital assets	-	-	-	-	-	-	118,166
Total other financing sources (uses)	-	-	-	-	-	-	1,110,283
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	-	-	3,848	(308)	27	375,828
Cash and investments - ending	\$ -	\$ 1,407	\$ -	\$ 13,250	\$ 70,329	\$ 2,371	\$ 3,115,545

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WABASH CITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 243,211</u>	<u>\$ 27,446</u>

WABASH CITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Wabash City Schools Building Corporation	First Mortgage Bonds 2011A	\$ 155,500	7/15/2012	1/15/2027
Wabash City Schools Building Corporation	First Mortgage Bonds 2011B	116,500	1/15/2013	1/15/2027
Wabash City Schools Building Corporation	First Mortgage Refunding & Improvement Bonds 2014	226,000	6/30/2014	12/31/2028
Wabash City Schools Building Corporation	First Mortgage Refunding & Improvement Bonds 2014B	35,000	6/30/2015	12/31/2022
Crossroads Bank	1:1 Computing	<u>167,762</u>	6/30/2013	12/30/2015
Total of annual lease payments		<u>\$ 700,762</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Common School Loan	\$ 1,200,000	\$ 246,000
General obligation bonds	2015 Bond - renovations and computers	<u>990,000</u>	<u>-</u>
Totals		<u>\$ 2,190,000</u>	<u>\$ 246,000</u>

WABASH CITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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	\$ 527,670
Infrastructure	62,382
Buildings	27,502,323
Improvements other than buildings	2,292,182
Machinery, equipment, and vehicles	1,979,542
 Total capital assets	 \$ 32,364,099

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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 WABASH CITY SCHOOLS, WABASH COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-004, 2015-006, and 2015-007. 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 2015-003, 2015-004, 2015-005, 2015-006, and 2015-007 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

May 23, 2016

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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.

WABASH CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY 13-14	\$ -	\$ 96,158	\$ -	\$ -
			FY 14-15	-	-	-	112,272
Total - School Breakfast Program				-	96,158	-	112,272
National School Lunch Program	Indiana Department of Education	10.555					
			FY 13-14	-	517,304	-	-
			FY 14-15	-	-	-	501,651
Total - National School Lunch Program				-	517,304	-	501,651
Summer Food Service Program for Children	Indiana Department of Education	10.559					
			FY 13-14	-	80,828	-	-
			FY 14-15	-	-	-	57,080
Total - Summer Food Service Program for Children				-	80,828	-	57,080
Total - Child Nutrition Cluster				-	694,290	-	671,003
Total - Department of Agriculture				-	694,290	-	671,003
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education - Grants to States	Indiana Department of Education	84.027					
			14212-058-PN01	-	23,103	-	-
			14213-058-PN01	-	102,887	-	5,227
			14214-058-PN01	-	265,158	-	95,936
			14215-058-PN01	-	-	-	260,715
			9914-058-TA01	-	3,626	-	5,439
Total - Special Education - Grants to States				-	394,774	-	367,317
Special Education - Preschool Grants	Indiana Department of Education	84.173					
			45713-058-PN01	-	8,207	-	-
			45714-058-PN01	-	10,124	-	8,535
			45715-058-PN01	-	-	-	10,374
Total Special Education - Preschool Grants				-	18,331	-	18,909
Total - Special Education Cluster (IDEA)				-	413,105	-	386,226

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

WABASH CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

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	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			13-8060	-	86,058	-	-
			14-8060	-	236,309	-	81,393
			15-8060	-	-	-	230,583
Total - Title I Grants to Local Educational Agencies				-	322,367	-	311,976
Rural Education	Indiana Department of Education	84.358					
			FY11	-	1,265	-	-
			FY13	-	-	-	27,975
Total - Rural Education				-	1,265	-	27,975
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
			FY11	-	12,450	-	-
			FY12	-	22,458	-	32,887
			FY13	-	8,255	-	53,171
			FY14	-	-	-	31,922
Total - Improving Teacher Quality State Grants				-	43,163	-	117,980
Total - Department of Education				-	779,900	-	844,157
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
			169-04AEB-00	-	-	-	6,429
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)				-	-	-	6,429
Total - Department of Homeland Security				-	-	-	6,429
Total federal awards expended				\$ -	\$ 1,474,190	\$ -	\$ 1,521,589

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

WABASH CITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Noncash Assistance

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

Program Title	Federal CFDA Number	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2015
Child Nutrition Cluster:			
Food Commodities:			
National School Lunch Program	10.555	\$ 56,218	\$ 57,490

WABASH CITY SCHOOLS
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:

CFDA Number	Name of Federal Program or Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2015-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The following deficiencies constitute material weaknesses:

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts. No segregation of duties over receipts existed. The School Corporation Treasurer issued receipts, posted receipts, and deposited monies for School Corporation operating funds.
2. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls.

Criteria

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)

Cause

Management of the School Corporation had not established a proper system of internal control. An evaluation of the School Corporation's system of internal control had not been conducted. Management had not conducted a risk assessment related to the School Corporation's financial reporting and transactions.

Effect

The failure to establish controls would have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system would have placed the School Corporation at risk that controls were not either designed properly or operating effectively to provide reasonable assurance that controls would prevent, or detect and correct, material misstatements in a timely manner.

Views of Responsible Officials

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

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

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation Treasurer compiled the SEFA with no oversight or approval.

Context

During the audit of the SEFA, there were the following errors:

- Child Nutrition Cluster programs were not included.

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- Title I Grants to Local Educational Agencies was understated by \$86,058 and \$105,097 during FY 2014 and FY 2015, respectively.
- Special Education Cluster (IDEA) programs were not included.
- Rural Education grants were not included.
- Improving Teacher Quality State Grants was overstated by \$3,720 and understated by \$56,554 during FY 2014 and FY 2015, respectively.
- Disaster Grants - Public Assistance (Presidentially Declared Disasters) was not included.
- Two state grants totaling \$32,198 and \$33,935 were included in error.

In total, the SEFA was understated by \$1,158,800 and \$1,219,749 in FY 2014 and FY 2015, respectively. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Criteria

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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:

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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.
- (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."

Cause

Management had not established a system of internal control that would ensure proper reporting of the SEFA.

Effect

The SEFA contained the errors.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

**FINDING 2015-003 - INTERNAL CONTROL OVER TITLE I GRANTS
TO LOCAL EDUCATIONAL AGENCIES**

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 Numbers): 13-8060, 14-8060, 15-8060

Pass-Through Entity: Indiana Department of Education

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, such as an oversight, review, or approval process, related to the following compliance requirements that have a direct and material effect on the programs: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Availability, Reporting, and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals.

Context

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability

The School Corporation had not established an effective control over the approval of payroll for Title I Grants to Local Educational Agencies employees. The School Board did not approve Title I Grants to Local Educational Agencies payroll disbursements; therefore, the School Board and the fiscal officer's approval of the payroll claims dockets did not ensure that only employees performing Title I Grants to Local Educational Agencies activities were paid from the program.

Cash Management

The School Corporation had not established an effective control over the approval of monthly reimbursement requests for Title I expenditures. Eight of the twenty-four monthly reimbursement requests prepared by the Treasurer were not approved by the Chief Financial Officer. There was no documentation of a control in place for all reimbursement requests that ensured expenses were paid prior to requesting reimbursement.

Reporting

The School Corporation submitted a Final Expenditure Report at the end of each grant to the Indiana Department of Education in addition to the monthly reimbursement requests noted above. The Indiana Department of Education also issued an annual General Fund Summary of Expenditures by Program and Per Pupil Costs for the Per Pupil Expenditure Report that is required for Title I programs; however, there was no verifiable control in place to ensure that these reports were accurate.

Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals. The School Corporation had various employees responsible for ensuring that applicable staff were highly qualified. An oversight, monitoring, or review process had not been established.

Criteria

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. . . ."

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

***FINDING 2015-004 - SPECIAL TESTS AND PROVISIONS - ANNUAL REPORT CARD,
HIGH SCHOOL GRADUATION RATE***

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 Numbers): 13-8060, 14-8060, 15-8060

Pass-Through Entity: Indiana Department of Education

Condition

The School Corporation had not designed or implemented adequate policies and procedures to ensure that Special Tests and Provisions - Annual Report Card, High School Graduation Rate requirements were followed. There was no segregation of duties, such as an oversight, review, or approval process to ensure that all required documentation was retained and available for audit.

Context

Fourteen of the forty requested student withdrawal forms tested were not provided for audit. It could not be determined if the School Corporation complied with the guidelines for Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

34 CFR 200.19(b) states in part:

"*High schools*—(1) *Graduation rate*. Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.

(2) A student who is retained in grade, enrolls in a General Educational Development (GED) program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-005 - INTERNAL CONTROLS OVER IMPROVING TEACHER QUALITY STATE GRANTS

Federal Agency: Department of Education

Federal Program: Improving Teacher Quality State Grants

CFDA Number: 84.367

Federal Award Numbers and Years (or Other Identifying Numbers): FY11, FY12, FY13, FY14

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, such as an oversight, review, or approval process, related to the following compliance requirements that have a direct and material effect on the programs: Activities Allowed or Unallowed, Cash Management, and Period of Availability.

Activities Allowed or Unallowed; Period of Availability

The School Corporation had not established an effective control over the approval of payroll for Improving Teacher Quality State Grants employees. The School Board did not approve Improving Teacher Quality State Grants payroll disbursements; therefore, the School Board and the Fiscal Officer's approval of the payroll claims dockets did not ensure that only employees performing Improving Teacher Quality State Grants activities were paid from the program.

Cash Management

The School Corporation had not established an effective control over the approval of monthly reimbursement (requests) for Improving Teacher Quality State Grants expenditures. Eight of the twenty-four monthly reimbursement requests prepared by the Treasurer were not approved by the Chief Financial Officer. There was not documentation of a control in place for all reimbursement reports that ensured expenses were paid prior to requesting reimbursement.

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system would have 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 would 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.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-006 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Improving Teacher Quality State Grants

CFDA Number: 84.367

Federal Award Numbers and Years (or Other Identifying Numbers): FY11, FY12, FY13, FY14

Pass-Through Entity: Indiana Department of Education

Condition

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 Allowable Costs/Cost Principles compliance requirement.

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The School Corporation had not established an effective control over the approval of payroll for Improving Teacher Quality State Grants employees. The School Board did not approve Improving Teacher Quality State Grants payroll disbursements; therefore, the School Board and the fiscal officer's approval of the payroll claims dockets does not ensure that only employees performing Improving Teacher Quality State Grants activities were paid from the program.

The School Corporation failed to maintain the necessary documentation relating to personnel activity reports and semi-annual certifications.

Criteria

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

". . . (3) 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 firsthand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost 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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-007 - REPORTING

Federal Agency: Department of Education

Federal Program: Improving Teacher Quality State Grants

CFDA Number: 84.367

Federal Award Numbers and Years (or Other Identifying Numbers): FY11, FY12, FY13, FY14

Pass-Through Entity: Indiana Department of Education

Condition

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 Reporting compliance requirement.

Context

The School Corporation submitted monthly reimbursement requests to the Indiana Department of Education. These reports were prepared by the Treasurer and reviewed by the Chief Financial Officer. Three of the five monthly reimbursement requests tested were not reviewed by the Chief Financial Officer.

The School Corporation submitted a Final Report of Expenditures at the end of each grant to the Indiana Department of Education. These reports were prepared by the Treasurer and reviewed by the Superintendent of Schools. The Final Report of Expenditures, due on December 31, 2014, was not completed.

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

34 CFR 80.20(b) states in part:

"The financial management system of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlay or expenditures, and income. . . .
- (4) *Budget control.* Actual expenditures or capital outlay must be compared with budgeted amounts for each grant or subgrant. . . .
- (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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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.



CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Michele L. Hough

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: Our office is small and sometimes segregation of duties is not possible. However, since this has been brought to our attention, we are now making changes. Receipt transactions, posting and deposits, are now being handled by more than one person.

Anticipated Completion Date: Immediate

Michele L. Hough

(Signature)

Corp. Treas.

(Title)

5/23/2016

(Date)



CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Michele L. Hough

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: The SEFA for this time period was completed for the first time with no guidance on how the report was to be completed. Since the audit, Treasurer better understands the report and will work with Food Service Bookkeeper, Grant Director, and Chief Business Official to file the SEFA for each Fiscal Year. Approval for each category will either be approved by Treasurer or Chief Business Official, so that proper controls are in place for accurate reporting of federal awards.

Anticipated Completion Date: Immediate

Michele L. Hough
(Signature)

Corp. Treas.
(Title)

5/23/2016
(Date)



CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: Michele L. Hough

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: Title 1 Expenditure Reports are reviewed by the Chief Financial Officer or Grant Coordinator. Although, no one was signing off on the reimbursement form that this was occurring. CFO or Grant Coordinator will begin signing Monthly Expenditure Reports and the Final Expenditure Report, after review of such report.

Highly Qualified Teachers and Paraprofessionals procedures are being implemented to ensure that adequate policies, procedures and segregation of duties are in place to ensure compliance with federal reporting. This includes the hiring Administrator verifying Teacher or paraprofessional meets qualifications and then signing off on proper documentation. Documentation will be sent to Administrative office where it will be overviewed and signed off by an Administration Employee assigned to such duty.

Anticipated Completion Date: School Year 2016-2017

Michele L. Hough
(Signature)

Corp. Treas.
(Title)

5/23/2016
(Date)



CORRECTIVE ACTION PLAN

FINDING 2015-004

Contact Person Responsible for Corrective Action: Matthew Stone

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: The School Corporation will create a system that has the High School Principal and/or Guidance Counselors send all Special Tests and Provisions to Central Office for verification and affirmation. Central Office will then retain those record for future audits.

Anticipated Completion Date: School Year 2016-2017

Matthew Stone
(Signature)

Chief Business Officer
(Title)

5/23/16
(Date)



CORRECTIVE ACTION PLAN

FINDING 2015-005

Contact Person Responsible for Corrective Action: Michele L. Hough

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: Title II A, Monthly Expenditures reports are prepared by the Corporation Treasurer and approved by the Chief Financial Officer. However, School Corporation does concur that some reports were missing signature or initials of such procedure. School corporation will be more diligent in signing off on each report.

School Board receives a Gross Breakdown of each payroll period. However, Treasurer concurs that a small percentage of this particular payroll breakdown was missing from Board payroll claim lists. Treasurer will use more diligence in ensuring that this report is included with each payroll claim list.

Anticipated Completion Date: Immediate

Michele L. Hough
(Signature)

Corp. Treas
(Title)

5/23/2016
(Date)



CORRECTIVE ACTION PLAN

FINDING 2015-006

Contact Person Responsible for Corrective Action: Michele L. Hough

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: School Corporation will begin keeping time and effort logs at the building levels for those who are paid from Federal and Non-Federal Funds.

Anticipated Completion Date: 2016-2017 School Year

Michele L. Hough
(Signature)

Corp. Treas.
(Title)

5/23/2016
(Date)



CORRECTIVE ACTION PLAN

FINDING 2015-007

Contact Person Responsible for Corrective Action: Michele L. Hough

Contact Phone Number: (260) 563-2151

Description of Corrective Action Plan: Title 2 Expenditure Reports are reviewed by the Chief Financial Officer or Grant Coordinator. School Corporation concurs that several reports had no signature to verify such.

School Corporation understands the necessity of completing Final Expenditure Reports and having proper oversight of Final Expenditure reports. However, School Corporation concurs that Final Expenditure Report for Title 2 FY 2012 was not found in file.

Anticipated Completion Date: 2016-2017 School Year

Michele L. Hough
(Signature)

Corp. Treasurer
(Title)

5/23/2016
(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/>.