

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SHOALS COMMUNITY SCHOOL CORPORATION
MARTIN COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
06/09/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa C. Elliott	07-01-12 to 12-31-16
Superintendent of Schools	Dr. Joan Keller Candace Roush	07-01-12 to 06-30-14 07-01-14 to 06-30-17
President of the School Board	Glen Anthony Cundiff Mary Lou Billings Lorna A. Troutman	07-01-12 to 12-31-12 01-01-13 to 12-31-15 01-01-16 to 12-31-16



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SHOALS COMMUNITY SCHOOL
CORPORATION, MARTIN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Shoals Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 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

March 24, 2016



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 SHOALS COMMUNITY SCHOOL
CORPORATION, MARTIN 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 Shoals Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated March 24, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Shoals Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 24, 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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SHOALS COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

Fund	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 1,210,016	\$ 4,160,242	\$ 4,030,139	\$ -	\$ 1,340,119	\$ 4,207,071	\$ 3,948,890	\$ -	\$ 1,598,300
Debt Service	204,281	417,353	394,399	10,259	237,494	396,203	392,960	-	240,737
Retirement/Severance Bond Debt Service	29,214	219,474	207,198	4,057	45,547	243,145	209,660	-	79,032
Capital Projects	211,282	447,420	450,293	9,772	218,181	478,667	455,839	-	241,009
School Transportation	323,526	701,870	634,403	17,734	408,727	705,463	570,976	(200,000)	343,214
School Bus Replacement	150,143	30,805	-	(389)	180,559	54,045	-	-	234,604
Rainy Day	401,203	-	-	-	401,203	-	-	200,000	601,203
Retirement/Severance Bond	148,117	-	57,427	-	90,690	-	43,891	-	46,799
School Lunch	62,257	268,318	259,530	-	71,045	272,079	275,379	-	67,745
Textbook Rental	8,362	53,589	26,018	-	35,933	55,948	43,353	-	48,528
Levy Excess	41,433	-	-	(41,433)	-	-	-	-	-
Educational License Plates	3,131	56	-	-	3,187	75	-	-	3,262
Early Intervention Grant	-	10,000	10,000	-	-	-	-	-	-
Donation	8,032	2,190	6,201	-	4,021	1,909	747	-	5,183
Leo Harding Endowment Fund	3,969	466	-	-	4,435	279	-	-	4,714
Elem Phi Delta Kapa-CAPE	496	-	-	-	496	-	-	-	496
Extra-Curricular Activities	6,142	-	-	-	6,142	-	-	-	6,142
High Ability Grant 11/12	2,607	-	2,607	-	-	-	-	-	-
High Ability Grant 13/14	-	-	-	-	-	25,875	21,837	-	4,038
High Ability Grant 12/13	-	26,313	20,357	-	5,956	-	5,956	-	-
State Connectivity Grant	1,470	4,491	4,733	-	1,228	3,617	3,208	-	1,637
Excellence in Performance Awards	-	-	-	-	-	40,000	40,000	-	-
ISTA Settlement 2013	-	-	-	-	-	93,974	27,980	-	65,994
Title I 11/12	(7,905)	22,453	14,548	-	-	78,108	79,243	-	(1,135)
Title 1 FY 2012-13	-	91,419	103,422	-	(12,003)	120,666	108,663	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(17,347)	32,000	14,653	-	-	-	-	-	-
Special Education Improvement Grant 2013	-	9,040	10,381	-	(1,341)	11,203	9,862	-	-
After School Rocks 11/12	312	-	312	-	-	-	-	-	-
After School Rocks 12/13	2,075	-	2,075	-	-	-	-	-	-
Team Nutrition Training Grants	439	-	439	-	-	-	-	-	-
Improving Teacher Quality NCLB, Title II, Part A 11/12	(6,818)	11,992	5,174	-	-	-	-	-	-
Improving Teacher Quality NCLB, Title II, Part A 12/13	-	24,456	32,280	-	(7,824)	19,625	11,801	-	-
Improving Teacher Quality NCLB, Title II, Part A 13/14	-	-	-	-	-	28,566	31,378	-	(2,812)
Rural Schools Achievement 12/13	-	15,667	15,667	-	-	-	-	-	-
Rural Schools Achievement 13/14	-	-	-	-	-	15,919	1,152	-	14,767
Education Jobs	(75,535)	78,620	3,085	-	-	-	-	-	-
Payroll Clearing	-	881,756	881,756	-	-	918,820	918,837	-	(17)
Cafeteria Clearing	-	309,981	309,981	-	-	324,644	324,644	-	-
Totals	\$ 2,710,902	\$ 7,819,971	\$ 7,497,078	\$ -	\$ 3,033,795	\$ 8,095,901	\$ 7,526,256	\$ -	\$ 3,603,440

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants or from under estimation of current requirements. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 and June 30, 2014.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Shoals Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$210,000 and \$209,000, respectively.

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Subsequent Events*

The School Corporation issued the 2015 General Obligation Bonds totaling \$3,015,000 on August 26, 2015. The proceeds will be used throughout the School Corporation to fund various repairs and upgrades.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits. These benefits pose a liability to the School Corporation for this year and in future years. Teachers who retired prior to June 30, 2007, were provided an annual stipend paid monthly until social security age or a maximum of 10 years. They were also provided a single plan of insurance paid for by the School Corporation until they were eligible for Medicare or a maximum of 10 years. The retirees can pay all the cost of keeping additional family members on the School Corporation insurance plan until they turn age 65. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

SHOALS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,210,016	\$ 204,281	\$ 29,214	\$ 211,282	\$ 323,526	\$ 150,143	\$ 401,203	\$ 148,117
Receipts:								
Local sources	52,953	417,353	219,474	447,420	699,560	30,805	-	-
Intermediate sources	163	-	-	-	-	-	-	-
State sources	4,107,126	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	2,310	-	-	-
Total receipts	<u>4,160,242</u>	<u>417,353</u>	<u>219,474</u>	<u>447,420</u>	<u>701,870</u>	<u>30,805</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	2,812,832	-	-	-	-	-	-	57,427
Support services	1,112,852	-	-	327,189	634,403	-	-	-
Noninstructional services	104,455	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	123,104	-	-	-	-
Debt services	-	394,399	207,198	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>4,030,139</u>	<u>394,399</u>	<u>207,198</u>	<u>450,293</u>	<u>634,403</u>	<u>-</u>	<u>-</u>	<u>57,427</u>
Excess (deficiency) of receipts over disbursements	<u>130,103</u>	<u>22,954</u>	<u>12,276</u>	<u>(2,873)</u>	<u>67,467</u>	<u>30,805</u>	<u>-</u>	<u>(57,427)</u>
Other financing sources (uses):								
Transfers in	-	11,551	4,623	11,160	19,615	-	-	-
Transfers out	-	(1,292)	(566)	(1,388)	(1,881)	(389)	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,259</u>	<u>4,057</u>	<u>9,772</u>	<u>17,734</u>	<u>(389)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>130,103</u>	<u>33,213</u>	<u>16,333</u>	<u>6,899</u>	<u>85,201</u>	<u>30,416</u>	<u>-</u>	<u>(57,427)</u>
Cash and investments - ending	<u>\$ 1,340,119</u>	<u>\$ 237,494</u>	<u>\$ 45,547</u>	<u>\$ 218,181</u>	<u>\$ 408,727</u>	<u>\$ 180,559</u>	<u>\$ 401,203</u>	<u>\$ 90,690</u>

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

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Donation	Leo Harding Endowment Fund	Elem Phi Delta Kapa-CAPE
Cash and investments - beginning	\$ 62,257	\$ 8,362	\$ 41,433	\$ 3,131	\$ -	\$ 8,032	\$ 3,969	\$ 496
Receipts:								
Local sources	81,083	26,628	-	-	-	2,190	466	-
Intermediate sources	-	-	-	56	-	-	-	-
State sources	2,061	26,961	-	-	10,000	-	-	-
Federal sources	185,174	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>268,318</u>	<u>53,589</u>	<u>-</u>	<u>56</u>	<u>10,000</u>	<u>2,190</u>	<u>466</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	10,000	1,209	-	-
Support services	-	26,018	-	-	-	4,992	-	-
Noninstructional services	259,530	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>259,530</u>	<u>26,018</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>6,201</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8,788</u>	<u>27,571</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>(4,011)</u>	<u>466</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	5,516	-	-	-	-	-
Transfers out	-	-	(46,949)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(41,433)</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>8,788</u>	<u>27,571</u>	<u>(41,433)</u>	<u>56</u>	<u>-</u>	<u>(4,011)</u>	<u>466</u>	<u>-</u>
Cash and investments - ending	<u>\$ 71,045</u>	<u>\$ 35,933</u>	<u>\$ -</u>	<u>\$ 3,187</u>	<u>\$ -</u>	<u>\$ 4,021</u>	<u>\$ 4,435</u>	<u>\$ 496</u>

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

	Extra- Curricular Activities	High Ability Grant 11/12	High Ability Grant 13/14	High Ability Grant 12/13	State Connectivity Grant	Excellence in Performance Awards	ISTA Settlement 2013	Title 1 11/12
Cash and investments - beginning	\$ 6,142	\$ 2,607	\$ -	\$ -	\$ 1,470	\$ -	\$ -	\$ (7,905)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	26,313	4,491	-	-	-
Federal sources	-	-	-	-	-	-	-	22,453
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	26,313	4,491	-	-	22,453
Disbursements:								
Current:								
Instruction	-	2,607	-	20,357	-	-	-	9,655
Support services	-	-	-	-	4,733	-	-	4,350
Noninstructional services	-	-	-	-	-	-	-	543
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	2,607	-	20,357	4,733	-	-	14,548
Excess (deficiency) of receipts over disbursements	-	(2,607)	-	5,956	(242)	-	-	7,905
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,607)	-	5,956	(242)	-	-	7,905
Cash and investments - ending	\$ 6,142	\$ -	\$ -	\$ 5,956	\$ 1,228	\$ -	\$ -	\$ -

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

	Title 1 FY 2012-13	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Grant 2013	After School Rocks 11/12	After School Rocks 12/13	Team Nutrition Training Grants	Improving Teacher Quality NCLB, Title II, Part A 11/12	Improving Teacher Quality NCLB, Title II, Part A 12/13
Cash and investments - beginning	\$ -	\$ (17,347)	\$ -	\$ 312	\$ 2,075	\$ 439	\$ (6,818)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	91,419	32,000	9,040	-	-	-	11,992	24,456
Other	-	-	-	-	-	-	-	-
Total receipts	91,419	32,000	9,040	-	-	-	11,992	24,456
Disbursements:								
Current:								
Instruction	69,770	14,508	10,381	312	2,075	-	5,174	32,280
Support services	33,652	145	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	439	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	103,422	14,653	10,381	312	2,075	439	5,174	32,280
Excess (deficiency) of receipts over disbursements	(12,003)	17,347	(1,341)	(312)	(2,075)	(439)	6,818	(7,824)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,003)	17,347	(1,341)	(312)	(2,075)	(439)	6,818	(7,824)
Cash and investments - ending	\$ (12,003)	\$ -	\$ (1,341)	\$ -	\$ -	\$ -	\$ -	\$ (7,824)

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

	Improving Teacher Quality NCLB, Title II, Part A 13/14	Rural Schools Achievement 12/13	Rural Schools Achievement 13/14	Education Jobs	Payroll Clearing	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (75,535)	\$ -	\$ -	\$ 2,710,902
Receipts:							
Local sources	-	-	-	-	-	-	1,977,932
Intermediate sources	-	-	-	-	-	-	219
State sources	-	-	-	-	-	-	4,176,952
Federal sources	-	15,667	-	78,620	-	-	470,821
Other	-	-	-	-	881,756	309,981	1,194,047
Total receipts	-	15,667	-	78,620	881,756	309,981	7,819,971
Disbursements:							
Current:							
Instruction	-	-	-	3,085	-	-	3,051,672
Support services	-	15,667	-	-	-	-	2,164,001
Noninstructional services	-	-	-	-	-	-	364,967
Facilities acquisition and construction	-	-	-	-	-	-	123,104
Debt services	-	-	-	-	-	-	601,597
Nonprogrammed charges	-	-	-	-	881,756	309,981	1,191,737
Total disbursements	-	15,667	-	3,085	881,756	309,981	7,497,078
Excess (deficiency) of receipts over disbursements	-	-	-	75,535	-	-	322,893
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	52,465
Transfers out	-	-	-	-	-	-	(52,465)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	75,535	-	-	322,893
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,033,795

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,340,119	\$ 237,494	\$ 45,547	\$ 218,181	\$ 408,727	\$ 180,559	\$ 401,203	\$ 90,690
Receipts:								
Local sources	49,891	396,203	243,145	478,667	705,463	54,045	-	-
Intermediate sources	490	-	-	-	-	-	-	-
State sources	4,142,240	-	-	-	-	-	-	-
Federal sources	14,450	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>4,207,071</u>	<u>396,203</u>	<u>243,145</u>	<u>478,667</u>	<u>705,463</u>	<u>54,045</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	2,850,690	-	-	-	-	-	-	43,891
Support services	1,002,133	5,589	-	342,815	570,976	-	-	-
Noninstructional services	96,067	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	113,024	-	-	-	-
Debt services	-	387,371	209,660	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>3,948,890</u>	<u>392,960</u>	<u>209,660</u>	<u>455,839</u>	<u>570,976</u>	<u>-</u>	<u>-</u>	<u>43,891</u>
Excess (deficiency) of receipts over disbursements	<u>258,181</u>	<u>3,243</u>	<u>33,485</u>	<u>22,828</u>	<u>134,487</u>	<u>54,045</u>	<u>-</u>	<u>(43,891)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	200,000	-
Transfers out	-	-	-	-	(200,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>258,181</u>	<u>3,243</u>	<u>33,485</u>	<u>22,828</u>	<u>(65,513)</u>	<u>54,045</u>	<u>200,000</u>	<u>(43,891)</u>
Cash and investments - ending	<u>\$ 1,598,300</u>	<u>\$ 240,737</u>	<u>\$ 79,032</u>	<u>\$ 241,009</u>	<u>\$ 343,214</u>	<u>\$ 234,604</u>	<u>\$ 601,203</u>	<u>\$ 46,799</u>

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

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Donation	Leo Harding Endowment Fund	Elem Phi Delta Kapa-CAPE
Cash and investments - beginning	\$ 71,045	\$ 35,933	\$ -	\$ 3,187	\$ -	\$ 4,021	\$ 4,435	\$ 496
Receipts:								
Local sources	70,630	21,682	-	-	-	1,909	279	-
Intermediate sources	-	-	-	75	-	-	-	-
State sources	1,722	34,266	-	-	-	-	-	-
Federal sources	199,727	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>272,079</u>	<u>55,948</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>1,909</u>	<u>279</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	381	-	-
Support services	-	43,353	-	-	-	366	-	-
Noninstructional services	275,379	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>275,379</u>	<u>43,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>747</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,300)</u>	<u>12,595</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>1,162</u>	<u>279</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,300)</u>	<u>12,595</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>1,162</u>	<u>279</u>	<u>-</u>
Cash and investments - ending	<u>\$ 67,745</u>	<u>\$ 48,528</u>	<u>\$ -</u>	<u>\$ 3,262</u>	<u>\$ -</u>	<u>\$ 5,183</u>	<u>\$ 4,714</u>	<u>\$ 496</u>

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

	Extra- Curricular Activities	High Ability Grant 11/12	High Ability Grant 13/14	High Ability Grant 12/13	State Connectivity Grant	Excellence in Performance Awards	ISTA Settlement 2013	Title 1 11/12
Cash and investments - beginning	\$ 6,142	\$ -	\$ -	\$ 5,956	\$ 1,228	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	93,974	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	25,875	-	3,617	40,000	-	-
Federal sources	-	-	-	-	-	-	-	78,108
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>25,875</u>	<u>-</u>	<u>3,617</u>	<u>40,000</u>	<u>93,974</u>	<u>78,108</u>
Disbursements:								
Current:								
Instruction	-	-	21,837	5,956	-	38,658	20,624	52,867
Support services	-	-	-	-	3,208	1,342	6,540	25,231
Noninstructional services	-	-	-	-	-	-	816	1,145
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>21,837</u>	<u>5,956</u>	<u>3,208</u>	<u>40,000</u>	<u>27,980</u>	<u>79,243</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>4,038</u>	<u>(5,956)</u>	<u>409</u>	<u>-</u>	<u>65,994</u>	<u>(1,135)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>4,038</u>	<u>(5,956)</u>	<u>409</u>	<u>-</u>	<u>65,994</u>	<u>(1,135)</u>
Cash and investments - ending	<u>\$ 6,142</u>	<u>\$ -</u>	<u>\$ 4,038</u>	<u>\$ -</u>	<u>\$ 1,637</u>	<u>\$ -</u>	<u>\$ 65,994</u>	<u>\$ (1,135)</u>

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

	Title 1 FY 2012-13	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Grant 2013	After School Rocks 11/12	After School Rocks 12/13	Team Nutrition Tranining Grants	Improving Teacher Quality NCLB, Title II, Part A 11/12	Improving Teacher Quality NCLB, Title II, Part A 12/13
Cash and investments - beginning	\$ (12,003)	\$ -	\$ (1,341)	\$ -	\$ -	\$ -	\$ -	\$ (7,824)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	120,666	-	11,203	-	-	-	-	19,625
Other	-	-	-	-	-	-	-	-
Total receipts	<u>120,666</u>	<u>-</u>	<u>11,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,625</u>
Disbursements:								
Current:								
Instruction	68,523	-	9,739	-	-	-	-	11,801
Support services	30,140	-	123	-	-	-	-	-
Noninstructional services	10,000	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>108,663</u>	<u>-</u>	<u>9,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,801</u>
Excess (deficiency) of receipts over disbursements	<u>12,003</u>	<u>-</u>	<u>1,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,824</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,003</u>	<u>-</u>	<u>1,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,824</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Improving Teacher Quality NCLB, Title II, Part A 13/14	Rural Schools Achievement 12/13	Rural Schools Achievement 13/14	Education Jobs	Payroll Clearing	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,033,795
Receipts:							
Local sources	-	-	-	-	-	-	2,115,888
Intermediate sources	-	-	-	-	-	-	565
State sources	-	-	-	-	-	-	4,247,720
Federal sources	28,566	-	15,919	-	-	-	488,264
Other	-	-	-	-	918,820	324,644	1,243,464
Total receipts	<u>28,566</u>	<u>-</u>	<u>15,919</u>	<u>-</u>	<u>918,820</u>	<u>324,644</u>	<u>8,095,901</u>
Disbursements:							
Current:							
Instruction	28,934	-	-	-	-	-	3,153,901
Support services	2,444	-	1,152	-	-	-	2,035,412
Noninstructional services	-	-	-	-	-	-	383,407
Facilities acquisition and construction	-	-	-	-	-	-	113,024
Debt services	-	-	-	-	-	-	597,031
Nonprogrammed charges	-	-	-	-	918,837	324,644	1,243,481
Total disbursements	<u>31,378</u>	<u>-</u>	<u>1,152</u>	<u>-</u>	<u>918,837</u>	<u>324,644</u>	<u>7,526,256</u>
Excess (deficiency) of receipts over disbursements	<u>(2,812)</u>	<u>-</u>	<u>14,767</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>569,645</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	200,000
Transfers out	-	-	-	-	-	-	(200,000)
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>(2,812)</u>	<u>-</u>	<u>14,767</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>569,645</u>
Cash and investments - ending	<u>\$ (2,812)</u>	<u>\$ -</u>	<u>\$ 14,767</u>	<u>\$ -</u>	<u>\$ (17)</u>	<u>\$ -</u>	<u>\$ 3,603,440</u>

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SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 33,776</u>	<u>\$ 3,947</u>

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Shoals Community School Building Corporation	Renovation	\$ 209,000	1/15/2006	1/15/2021
Total of annual lease payments		<u>\$ 209,000</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds		Retirement/Severance Liability	\$ 665,000	\$ 211,417
Notes and loans payable		PE Facility and HS Library	<u>215,449</u>	<u>178,371</u>
Total governmental activities			<u>880,449</u>	<u>428,520</u>
Totals			<u>\$ 880,449</u>	<u>\$ 428,520</u>

SHOALS COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 90,948
Buildings	6,825,428
Improvements other than buildings	344,963
Machinery, equipment, and vehicles	725,435
Computer Equipment	793,090
Total governmental activities	8,779,864
Total capital assets	\$ 8,779,864

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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

Telephone: (317) 232-2513
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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 SHOALS COMMUNITY SCHOOL
CORPORATION, MARTIN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Shoals Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance finding 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 a material weakness.

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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002 to be a material weakness.

The School Corporation's response to the internal control over the compliance finding 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

March 24, 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.

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 12-13	\$ 42,579	\$ -
			FY 13-14	-	42,821
Total - School Breakfast Program				<u>42,579</u>	<u>42,821</u>
National School Lunch Program	Indiana Department of Education	10.555	FY 12-13	161,707	-
			FY 13-14	-	173,740
Total - National School Lunch Program				<u>161,707</u>	<u>173,740</u>
Total - Child Nutrition Cluster				<u>204,286</u>	<u>216,561</u>
Team Nutrition Grants	Indiana Department of Education	10.574	FY 12-13	439	-
Total - Department of Agriculture				<u>204,725</u>	<u>216,561</u>
<u>DEPARTMENT OF EDUCATION</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	12-5520	14,548	-
			13-5520	91,419	120,666
			14-5520	-	78,108
Total - Title I, Part A Cluster				<u>105,967</u>	<u>198,774</u>
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	A58-3-13DL-00084	14,653	-
			A58-3-13DL-01450	9,040	11,203
			14211-049-PN01	18,482	-
			14212-049-PN01	36,081	19,634
			14213-049-PN01	102,805	32,380
			14214-049-PN01	-	88,900
			33310-049-SN01	14,450	14,450
Total - Special Education - Grants to States				<u>195,511</u>	<u>166,567</u>

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

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014
(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	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>DEPARTMENT OF EDUCATION (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education - Preschool Grants	Indiana Department of Education	84.173			
			45711-049-PN01	751	-
			45712-049-PN01	1,617	1,127
			45713-049-PN01	5,710	2,127
			45714-049-PN01	-	5,836
Total - Special Education - Preschool Grants				<u>8,078</u>	<u>9,090</u>
Total - Special Education Cluster (IDEA)				<u>203,589</u>	<u>175,657</u>
Rural Education					
	Indiana Department of Education	84.358			
			S358A128036	15,667	-
			S358A138036	-	1,152
Total - Rural Education				<u>15,667</u>	<u>1,152</u>
Improving Teacher Quality State Grants					
	Indiana Department of Education	84.367			
			11-5520	5,174	-
			12-5520	24,456	19,625
			13-5520	-	28,566
Total - Improving Teacher Quality State Grants				<u>29,630</u>	<u>48,191</u>
Education Jobs Fund					
	Indiana Department of Education	84.410			
			FY 12-13	3,085	-
Total - Department of Education				<u>357,938</u>	<u>423,774</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Block Grants for Prevention and Treatment of Substance Abuse					
	Purdue University	93.959			
			203910-43	2,075	-
			203910-67	312	-
Total - Block Grants for Prevention and Treatment of Substance Abuse				<u>2,387</u>	<u>-</u>
Total - Department of Health and Human Services				<u>2,387</u>	<u>-</u>
Total federal awards expended				<u>\$ 565,050</u>	<u>\$ 640,335</u>

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 19,112	\$ 16,834

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____

Title I, Part A Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: six grants were omitted, several grant names were incorrect, and identifying numbers were not included. Audit adjustments in the amount of \$819,495 were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

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

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

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

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - ALLOWABLE COSTS

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Year (or Other Identifying Number): 12-5520, 13-5520, 14-5520

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Allowable Costs compliance requirement. The failure to establish an effective internal control system resulted in the School Corporation being in noncompliance with the Allowable Costs compliance requirement related to the program.

The School Corporation had multiple employees whose wages were paid entirely from the Title I grant and one employee, the Title I Director, whose salary was paid from multiple cost objectives. The wages of the Title I employees paid entirely from the grant were correctly supported by semiannual certifications that were signed by the supervisory official with first-hand knowledge of the work performed by these employees. However, there was only one time a distribution report was presented, covering the month of September 2012, to support the salary charged to the grant for the Title I Director. No other reports were available for the audit period to support the distribution of the salary of the Title I Director as required by OMB Circular A-87.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

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."

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

"(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,

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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.
- (5) Personnel activity reports or equivalent documentation must meet the following standards:
- (a) They must reflect an after the fact distribution of the actual activity of each employee,
 - (b) They must account for the total activity for which each employee is compensated,
 - (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
 - (d) They must be signed by the employee. . . ."

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

We recommended that the School Corporation's management establish controls, to ensure compliance with the grant agreement and the Allowable Cost compliance requirement and to comply with the requirements.

AUDITEE PREPARED DOCUMENTS

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

Shoals Community School Corporation

Candace Roush
Superintendent

Lisa C. Elliott
Treasurer

Andrea Qualkenbush
Corporation Secretary
Deputy Treasurer
Transportation Secretary

11741 Ironton Road
Shoals, Indiana 47581
Telephone (812)247-2060
Fax (812)247-2278
<http://shoals.k12.in.us>

Lorna A. Troutman
President
James M. Bruner, Jr
Vice President
Eva Neeley
Secretary
Mary Lou Billings
Member
Dianna Ragsdale
Member

Summary Schedule of Prior Audit Findings

Finding 2012-2

Original Assigned SBA Audit Report Number: B41685

Report Period: July 1, 2010 to June 30, 2012

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Lisa Elliott

Contact Phone Number: 812-247-2060

Status of Audit Finding: Corrected

The school no longer prepays SIEC for professional development.

Shoals Community School Corporation

Candace Roush
Superintendent

Lisa C. Elliott
Treasurer

Andrea Qualkenbush
Corporation Secretary
Deputy Treasurer
Transportation Secretary

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Shoals, Indiana 47581
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Lorna A. Troutman
President
James M. Bruner, Jr.
Vice President
Eva Neeley
Secretary
Mary Lou Billings
Member
Dianna Ragsdale
Member

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Lisa C. Elliott
Contact Phone Number: 812-247-2060

Description of Corrective Action Plan:

I will more thoroughly complete the Schedule of Expenditures of Federal Awards by checking the grants on the Form 9 and my monthly financial statement to ensure that I do not miss any Federal Grants on our next Annual Financial Report in Gateway. I was not aware of the need to put our Grant money that is ran through our Joint Service Agency on our report. I now realize that I will need to get these dollar amounts from the Joint Service Office every year.

After I prepare the list of Grant Awards, I will present a copy of the report to Candace Roush, Superintendent, for her to audit. If any corrections are needed, they will be adjusted at that time.

Anticipated Completion Date: Summer of 2016

Lisa C Elliott
Signature

Corp. Treasurer
Title

2/25/16
Date

Shoals Community School Corporation

Candace Roush
Superintendent

Lisa C. Elliott
Treasurer

Andrea Qualkenbush
Corporation Secretary
Deputy Treasurer
Transportation Secretary

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President

James M. Bruner, Jr.
Vice President

Eva Neeley
Secretary

Mary Lou Billings
Member

Dianna Ragsdale
Member

CORRECTIVE ACTION PLAN

FINDING 2014-002

Contact Person Responsible for Corrective Action: Candace Roush, Superintendent
Contact Phone Number: 812-247-2060

Description of Corrective Action Plan:

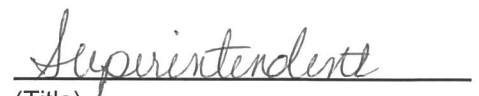
Our previous Title 1 Director, Pat Keefe, stated that she lost her time and effort logs while she was cleaning out her classroom when she retired and when her computer files were transferred from her school account to a new google drive account. She was only able to produce one log for September 2012. Ms. Keefe retired in May 2015, and our new director Myrna Greene took over. Myrna Greene is the new Title 1 director as well as paid Title 1 funds for being the elementary counselor for half of the day. Since Mrs. Greene started, she has been keeping and turning in her monthly time and effort logs. I keep them in a file in the Superintendent's office.

Anticipated Completion Date:

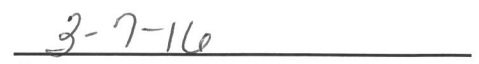
Since this is an ongoing monthly practice, there is no anticipated completion date. This is something that we are currently doing and will continue to do in the future.



(Signature)



(Title)



(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/>.