

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION
PERRY COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
08/25/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra A. Elder	07-01-13 to 06-30-18
Superintendent of Schools	Lynn E. Blinzinger John A. Scioldo	07-01-13 to 06-30-14 07-01-14 to 06-30-18
President of the School Board	Mack Cail Larry K. Kleeman Rick May Sherri K. Flynn	01-01-13 to 12-31-13 01-01-14 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

As discussed in Note 1 to 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.


INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 6, 2017, 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

July 6, 2017



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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 TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY 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 Tell City-Troy Township School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated July 6, 2017, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

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

July 6, 2017

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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.

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 1,726,895	\$ 9,889,216	\$ 9,950,062	\$ -	\$ 1,666,049	\$ 9,776,427	\$ 10,192,596	\$ -	\$ 1,249,880
Debt Service	201,564	2,676,247	2,525,790	-	352,021	3,417,728	2,539,064	(562,905)	667,780
Retirement/Severance Bond Debt Service	11,721	429,049	396,293	-	44,477	436,191	418,816	(71,579)	(9,727)
Capital Projects	925,345	970,549	988,180	3,230	910,944	614,315	835,984	418,586	1,107,861
School Transportation	116,851	464,180	488,663	449	92,817	339,499	371,493	204,480	265,303
School Bus Replacement	103,665	-	-	-	103,665	11,432	-	11,418	126,515
Rainy Day	450,000	-	-	-	450,000	-	-	-	450,000
Retirement/Severance Bond	9,047	-	9,047	-	-	-	-	-	-
School Lunch	204,490	808,001	823,622	-	188,869	733,275	826,957	-	95,187
Textbook Rental	81,956	372,261	327,541	-	126,676	181,590	141,092	-	167,174
Repair and Replacement	9,568	-	-	-	9,568	3,933	3,483	-	10,018
Self-Insurance	(83,935)	2,115,486	2,055,710	-	(24,159)	2,760,257	2,391,076	-	345,022
Educational License Plates	19	131	-	-	150	131	225	-	56
Safe Schools/Healthy Students	-	175,000	148,043	-	26,957	-	26,957	-	-
Perry County Community Foundation/Going Digital	1,500	-	1,500	-	-	-	-	-	-
Perry County Community Foundation/Can U Hear Me?	1,500	-	1,457	-	43	-	43	-	-
Perry County Community Foundation/Encasing Tech	-	3,000	2,995	-	5	-	5	-	-
Perry County Community Foundation/Promote Pride	-	2,300	1,093	-	1,207	-	1,207	-	-
PCCF - WTE Tell-E-Vision Grant	-	-	-	-	-	3,000	2,218	-	782
PCCF - Speaking Program 2015	-	-	-	-	-	3,545	3,545	-	-
PCCF - Igniting Math Learning	-	-	-	-	-	3,378	3,378	-	-
PCCF - Capable Communication	-	-	-	-	-	1,750	1,750	-	-
Project Great Income	-	-	-	-	-	1,000	-	-	1,000
TCHS Unlock the Box 2014	-	-	-	-	-	500	110	-	390
Welborn Healthy Schools 2011-2012	2,072	-	-	-	2,072	169	2,241	-	-
Welborn Heroes JH Grant 2012-2013	5,647	-	4,608	-	1,039	-	1,039	-	-
Welborn Gold Status Award	250	-	250	-	-	-	-	-	-
Welborn Grant 2013-2014	-	34,120	27,504	-	6,616	-	5,947	-	669
Welborn Baptist Mini Grant 2013	-	1,500	387	-	1,113	-	706	-	407
Donna Fenn Literacy Fund 2013-2014	-	2,242	2,242	-	-	-	-	-	-
Welborn 2014-2015 Heroes	-	-	-	-	-	20,250	14,138	-	6,112
Welborn Mini Grant 2014 - WTE	-	-	-	-	-	2,250	1,838	-	412
Stuff the Bus Campaign	510	709	1,063	-	156	818	921	-	53
Gerald Thomas Fund for Youth	160	196	227	-	129	427	533	-	23
Hire Technology Project	24	-	24	-	-	-	-	-	-
Jams At-Risk Program	-	-	-	-	-	1,160	89	-	1,071
Perry Co S.A. - Life Strategies	-	-	-	-	-	200	187	-	13
Donna Fenn LIT Fund 2014-2015	-	-	-	-	-	2,536	1,270	-	1,266
WTE Lego League	-	-	-	-	-	606	-	-	606

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

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

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
United Way - Family Outreach	-	-	-	-	-	5,125	1,308	-	3,817
On Target 2012-2013	26,187	1,845	19,907	-	8,125	-	5,597	-	2,528
On Target 2013-2014	-	16,252	-	-	16,252	3,004	-	-	19,256
WTE "The League" Program 2010-2011	30	-	30	-	-	-	-	-	-
WTE "The League" Program 2011-2012	750	-	314	-	436	-	436	-	-
WTE "The League" Program 2013-2014	-	500	-	-	500	-	500	-	-
WTE "The League" Program 2014-2015	-	-	-	-	-	500	500	-	-
Bullying Prevention Program	6,260	2,000	3,518	-	4,742	3,200	3,775	-	4,167
Bullying Prevention Program Jr.-Sr. HS	57	-	-	-	57	-	57	-	-
High Ability 2012-2013	8,913	-	8,913	-	-	-	-	-	-
High Ability 2013-2014	-	30,092	19,529	-	10,563	-	10,563	-	-
High Ability 2014-2015	-	-	-	-	-	30,199	22,436	-	7,763
Education Technology	-	107,319	107,319	-	-	-	-	-	-
Secured Schools Safety Grant	-	-	9,584	-	(9,584)	17,173	7,588	-	1
Non-English Speaking Grant 2012-2013	754	-	754	-	-	-	-	-	-
State Connectivity Grant	1,185	4,313	4,317	-	1,181	4,365	4,313	-	1,233
INDOT Safe Routes to School	(223)	223	-	-	-	-	-	-	-
Title I 2012-2013	(8,833)	30,973	22,140	-	-	-	-	-	-
Title I 2013-2014	-	145,320	154,045	-	(8,725)	59,120	50,395	-	-
Title I 2014-2015	-	-	-	-	-	212,672	235,755	-	(23,083)
College Access Challenge Grant	-	1,000	-	-	1,000	-	1,000	-	-
CTE Technology Resource Grant	-	15,000	15,000	-	-	-	-	-	-
Perkins Grant 2012-2013	(379)	10,095	9,716	-	-	-	-	-	-
Perkins Grant 2013-2014	-	18,896	20,431	-	(1,535)	13,085	11,550	-	-
Perkins Grant 2014-2015	-	-	-	-	-	23,541	24,629	-	(1,088)
Medicaid Reimbursement - Federal	34,829	7,242	832	-	41,239	7,190	936	-	47,493
21st Century Learning Center	-	-	-	-	-	138,782	221,378	-	(82,596)
21st Century Learning CC 2015-2016	-	-	-	-	-	-	2,730	-	(2,730)
McKinney-Vento Homeless Grant	-	24,893	24,893	-	-	11,487	11,487	-	-
McKinney-Vento 2014-2015	-	-	-	-	-	12,000	12,000	-	-
Title II Part A 2012-2014	-	37,623	41,366	-	(3,743)	19,302	15,559	-	-
Title II Part A 2013-2015	-	-	-	-	-	42,092	46,053	-	(3,961)
Title II Part A 2011-2013	(1,521)	7,481	5,960	-	-	-	-	-	-
Payroll Withholdings	38,007	2,386,773	2,379,949	-	44,831	2,493,270	2,503,320	-	34,781
Totals	<u>\$ 3,874,865</u>	<u>\$ 20,792,027</u>	<u>\$ 20,604,818</u>	<u>\$ 3,679</u>	<u>\$ 4,065,753</u>	<u>\$ 21,412,474</u>	<u>\$ 20,982,773</u>	<u>\$ -</u>	<u>\$ 4,495,454</u>

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

TELL CITY-TROY TOWNSHIP 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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

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

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

G. Fund Accounting

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

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:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the Indiana Department of Education requiring that most state and federal grant funds be spent prior to being reimbursed. The grant funds were expected to have negative balances because of the manner in which grants were administered. The reimbursements for the expenditures made by the School Corporation were not received by June 30, 2014 and 2015. The cash deficit in the Self-Insurance fund arose primarily from disbursements exceeding receipts. The cash deficit in the Retirement/Severance Bond Service fund arose due to the refinancing of the Pension Bonds 2004 not being completed until September 15, 2015. The proceeds of the refinancing created a positive balance in the fund.

Note 8. Restatements

For the year ended June 30, 2014, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of June 30, 2013	Prior Period Adjustment	Balance as of July 1, 2013
School Lunch	\$ 204,986	\$ (496)	\$ 204,490
Textbook Rental	82,479	(523)	81,956

Note 9. Holding Corporations

The School Corporation has entered into a capital lease with Tell City-Troy Township Elementary 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 June 30, 2014 and 2015, totaled \$1,760,000 and \$1,773,500, respectively.

The School Corporation has entered into four capital leases with Tell City-Troy Township 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 on the four leases during the years June 30, 2014 and 2015, totaled \$765,769 and \$711,564, respectively.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: medical insurance, dental insurance, and vision insurance. In addition, qualifying retirees are eligible for a post-severance bridge benefit for up to three years to be deposited into a 403(b) plan. 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.

Note 11. Combined Funds

Funds related to payroll withholdings were reported individually in the prior financial statement, but were combined into one fund for the current financial statement.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the 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 School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

TELL CITY-TROY TOWNSHIP 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	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,726,895	\$ 201,564	\$ 11,721	\$ 925,345	\$ 116,851	\$ 103,665	\$ 450,000	\$ 9,047	\$ 204,490	\$ 81,956
Receipts:										
Local sources	235,691	2,676,247	429,049	970,549	464,180	-	-	-	279,857	129,838
Intermediate sources	73	-	-	-	-	-	-	-	-	-
State sources	9,653,452	-	-	-	-	-	-	-	9,084	-
Federal sources	-	-	-	-	-	-	-	-	515,449	-
Other receipts	-	-	-	-	-	-	-	-	3,611	242,423
Total receipts	9,889,216	2,676,247	429,049	970,549	464,180	-	-	-	808,001	372,261
Disbursements:										
Instruction	7,781,489	-	-	-	-	-	-	-	-	-
Support services	2,154,095	-	-	602,293	488,663	-	-	-	69,931	325,528
Noninstructional services	-	-	-	-	-	-	-	-	751,256	-
Facilities acquisition and construction	-	-	-	385,887	-	-	-	-	-	-
Debt service	14,478	2,525,790	396,293	-	-	-	-	9,047	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	2,435	2,013
Total disbursements	9,950,062	2,525,790	396,293	988,180	488,663	-	-	9,047	823,622	327,541
Excess (deficiency) of receipts over disbursements	(60,846)	150,457	32,756	(17,631)	(24,483)	-	-	(9,047)	(15,621)	44,720
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	449	-	-	-	-	-
Sale of capital assets	-	-	-	3,230	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	3,230	449	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(60,846)	150,457	32,756	(14,401)	(24,034)	-	-	(9,047)	(15,621)	44,720
Cash and investments - ending	\$ 1,666,049	\$ 352,021	\$ 44,477	\$ 910,944	\$ 92,817	\$ 103,665	\$ 450,000	\$ -	\$ 188,869	\$ 126,676

TELL CITY-TROY TOWNSHIP 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)

	Repair and Replacement	Self- Insurance	Educational License Plates	Safe Schools/ Healthy Students	Perry County Community Foundation/ Going Digital	Perry County Community Foundation/ Can U Hear Me?	Perry County Community Foundation/ Encasing Tech	Perry County Community Foundation/ Promote Pride	PCCF - WTE Tell-E-Vision Grant	PCCF - Speaking Program 2015
Cash and investments - beginning	\$ 9,568	\$ (83,935)	\$ 19	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	2,115,486	-	-	-	-	3,000	2,300	-	-
Intermediate sources	-	-	131	-	-	-	-	-	-	-
State sources	-	-	-	175,000	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,115,486	131	175,000	-	-	3,000	2,300	-	-
Disbursements:										
Instruction	-	-	-	148,043	1,500	1,457	2,995	1,093	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	2,055,710	-	-	-	-	-	-	-	-
Total disbursements	-	2,055,710	-	148,043	1,500	1,457	2,995	1,093	-	-
Excess (deficiency) of receipts over disbursements	-	59,776	131	26,957	(1,500)	(1,457)	5	1,207	-	-
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	-	59,776	131	26,957	(1,500)	(1,457)	5	1,207	-	-
Cash and investments - ending	\$ 9,568	\$ (24,159)	\$ 150	\$ 26,957	\$ -	\$ 43	\$ 5	\$ 1,207	\$ -	\$ -

TELL CITY-TROY TOWNSHIP 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)

	PCCF - Igniting Math Learning	PCCF - Capable Communication	Project Great Income	TCHS Unlock the Box 2014	Welborn Healthy Schools 2011-2012	Wellborn Heroes JH Grant 2012-2013	Welborn Gold Status Award	Welborn Grant 2013-2014	Welborn Baptist Mini Grant 2013
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,072	\$ 5,647	\$ 250	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	34,120	1,500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	34,120	1,500
Disbursements:									
Instruction	-	-	-	-	-	4,608	250	27,504	387
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	4,608	250	27,504	387
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(4,608)	(250)	6,616	1,113
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	-	-	-	-	-	(4,608)	(250)	6,616	1,113
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 2,072	\$ 1,039	\$ -	\$ 6,616	\$ 1,113

TELL CITY-TROY TOWNSHIP 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)

	Donna Fenn Literacy Fund 2013-2014	Welborn 2014-2015 Heroes	Welborn Mini Grant 2014 - WTE	Stuff the Bus Campaign	Gerald Thomas Fund for Youth	Hire Technology Project	Jams At-Risk Program	Perry Co S.A. - Life Strategies	Donna Fenn LIT Fund 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 510	\$ 160	\$ 24	\$ -	\$ -	\$ -
Receipts:									
Local sources	2,242	-	-	709	196	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>709</u>	<u>196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	2,242	-	-	1,063	-	24	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	227	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>1,063</u>	<u>227</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(354)</u>	<u>(31)</u>	<u>(24)</u>	<u>-</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(354)</u>	<u>(31)</u>	<u>(24)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TELL CITY-TROY TOWNSHIP 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)

	WTE Lego League	United Way - Family Outreach	On Target 2012-2013	On Target 2013-2014	WTE "The League" Program 2010-2011	WTE "The League" Program 2011-2012	WTE "The League" Program 2013-2014	WTE "The League" Program 2014-2015	Bullying Prevention Program
Cash and investments - beginning	\$ -	\$ -	\$ 26,187	\$ -	\$ 30	\$ 750	\$ -	\$ -	\$ 6,260
Receipts:									
Local sources	-	-	1,845	16,252	-	-	500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	2,000
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,845	16,252	-	-	500	-	2,000
Disbursements:									
Instruction	-	-	19,907	-	30	314	-	-	3,518
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	19,907	-	30	314	-	-	3,518
Excess (deficiency) of receipts over disbursements	-	-	(18,062)	16,252	(30)	(314)	500	-	(1,518)
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	-	-	(18,062)	16,252	(30)	(314)	500	-	(1,518)
Cash and investments - ending	\$ -	\$ -	\$ 8,125	\$ 16,252	\$ -	\$ 436	\$ 500	\$ -	\$ 4,742

TELL CITY-TROY TOWNSHIP 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)

	Bullying Prevention Program Jr.-Sr. HS	High Ability 2012-2013	High Ability 2013-2014	High Ability 2014-2015	Education Technology	Secured Schools Safety Grant	Non-English Speaking Grant 2012-2013	State Connectivity Grant	INDOT Safe Routes to School
Cash and investments - beginning	\$ 57	\$ 8,913	\$ -	\$ -	\$ -	\$ -	\$ 754	\$ 1,185	\$ (223)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	30,092	-	107,319	-	-	4,313	-
Federal sources	-	-	-	-	-	-	-	-	223
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	30,092	-	107,319	-	-	4,313	223
Disbursements:									
Instruction	-	8,913	19,529	-	-	-	754	-	-
Support services	-	-	-	-	107,319	-	-	4,317	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	9,584	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	8,913	19,529	-	107,319	9,584	754	4,317	-
Excess (deficiency) of receipts over disbursements	-	(8,913)	10,563	-	-	(9,584)	(754)	(4)	223
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	-	(8,913)	10,563	-	-	(9,584)	(754)	(4)	223
Cash and investments - ending	\$ 57	\$ -	\$ 10,563	\$ -	\$ -	\$ (9,584)	\$ -	\$ 1,181	\$ -

TELL CITY-TROY TOWNSHIP 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 I 2012-2013	Title I 2013-2014	Title I 2014-2015	College Access Challenge Grant	CTE Technology Resource Grant	Perkins Grant 2012-2013	Perkins Grant 2013-2014	Perkins Grant 2014-2015	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ (8,833)	\$ -	\$ -	\$ -	\$ -	\$ (379)	\$ -	\$ -	\$ 34,829
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	15,000	-	-	-	-
Federal sources	30,973	145,320	-	1,000	-	10,095	18,896	-	7,242
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>30,973</u>	<u>145,320</u>	<u>-</u>	<u>1,000</u>	<u>15,000</u>	<u>10,095</u>	<u>18,896</u>	<u>-</u>	<u>7,242</u>
Disbursements:									
Instruction	21,512	115,290	-	-	15,000	9,716	20,431	-	-
Support services	628	38,755	-	-	-	-	-	-	832
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>22,140</u>	<u>154,045</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>9,716</u>	<u>20,431</u>	<u>-</u>	<u>832</u>
Excess (deficiency) of receipts over disbursements	<u>8,833</u>	<u>(8,725)</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>379</u>	<u>(1,535)</u>	<u>-</u>	<u>6,410</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>8,833</u>	<u>(8,725)</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>379</u>	<u>(1,535)</u>	<u>-</u>	<u>6,410</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (8,725)</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,535)</u>	<u>\$ -</u>	<u>\$ 41,239</u>

TELL CITY-TROY TOWNSHIP 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)

	21st Century Learning Center	21st Century Learning CC 2015-2016	McKinney-Vento Homeless Grant	McKinney-Vento 2014-2015	Title II Part A 2012-2014	Title II Part A 2013-2015	Title II Part A 2011-2013	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,521)	\$ 38,007	\$ 3,874,865
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,363,561
Intermediate sources	-	-	-	-	-	-	-	-	204
State sources	-	-	-	-	-	-	-	-	9,996,260
Federal sources	-	-	24,893	-	37,623	-	7,481	-	799,195
Other receipts	-	-	-	-	-	-	-	2,386,773	2,632,807
Total receipts	-	-	24,893	-	37,623	-	7,481	2,386,773	20,792,027
Disbursements:									
Instruction	-	-	-	-	41,366	-	5,960	-	8,254,895
Support services	-	-	24,893	-	-	-	-	-	3,817,254
Noninstructional services	-	-	-	-	-	-	-	-	751,483
Facilities acquisition and construction	-	-	-	-	-	-	-	-	395,471
Debt service	-	-	-	-	-	-	-	-	2,945,608
Nonprogrammed charges	-	-	-	-	-	-	-	2,379,949	4,440,107
Total disbursements	-	-	24,893	-	41,366	-	5,960	2,379,949	20,604,818
Excess (deficiency) of receipts over disbursements	-	-	-	-	(3,743)	-	1,521	6,824	187,209
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	449
Sale of capital assets	-	-	-	-	-	-	-	-	3,230
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,679
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(3,743)	-	1,521	6,824	190,888
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (3,743)	\$ -	\$ -	\$ 44,831	\$ 4,065,753

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,666,049	\$ 352,021	\$ 44,477	\$ 910,944	\$ 92,817	\$ 103,665	\$ 450,000	\$ -	\$ 188,869	\$ 126,676
Receipts:										
Local sources	193,381	3,417,728	436,191	614,315	339,499	11,432	-	-	297,158	128,522
Intermediate sources	53	-	-	-	-	-	-	-	-	-
State sources	9,582,993	-	-	-	-	-	-	-	8,822	-
Federal sources	-	-	-	-	-	-	-	-	424,768	-
Other receipts	-	-	-	-	-	-	-	-	2,527	53,068
Total receipts	9,776,427	3,417,728	436,191	614,315	339,499	11,432	-	-	733,275	181,590
Disbursements:										
Instruction	7,800,063	-	-	-	-	-	-	-	-	-
Support services	2,392,533	-	-	448,913	371,493	-	-	-	77,888	139,141
Noninstructional services	-	-	-	-	-	-	-	-	745,859	-
Facilities acquisition and construction	-	-	-	387,071	-	-	-	-	-	-
Debt service	-	2,539,064	418,816	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	3,210	1,951
Total disbursements	10,192,596	2,539,064	418,816	835,984	371,493	-	-	-	826,957	141,092
Excess (deficiency) of receipts over disbursements	(416,169)	878,664	17,375	(221,669)	(31,994)	11,432	-	-	(93,682)	40,498
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	418,586	204,480	11,418	-	-	-	-
Transfers out	-	(562,905)	(71,579)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(562,905)	(71,579)	418,586	204,480	11,418	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(416,169)	315,759	(54,204)	196,917	172,486	22,850	-	-	(93,682)	40,498
Cash and investments - ending	\$ 1,249,880	\$ 667,780	\$ (9,727)	\$ 1,107,861	\$ 265,303	\$ 126,515	\$ 450,000	\$ -	\$ 95,187	\$ 167,174

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

	Repair and Replacement	Self- Insurance	Educational License Plates	Safe Schools/ Healthy Students	Perry County Community Foundation/ Going Digital	Perry County Community Foundation/ Can U Hear Me?	Perry County Community Foundation/ Encasing Tech	Perry County Community Foundation/ Promote Pride	PCCF - WTE Tell-E-Vision Grant	PCCF - Speaking Program 2015
Cash and investments - beginning	\$ 9,568	\$ (24,159)	\$ 150	\$ 26,957	\$ -	\$ 43	\$ 5	\$ 1,207	\$ -	\$ -
Receipts:										
Local sources	3,933	2,760,257	-	-	-	-	-	-	3,000	3,545
Intermediate sources	-	-	131	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	3,933	2,760,257	131	-	-	-	-	-	3,000	3,545
Disbursements:										
Instruction	-	-	-	26,957	-	43	5	1,207	2,218	3,545
Support services	3,483	-	225	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	2,391,076	-	-	-	-	-	-	-	-
Total disbursements	3,483	2,391,076	225	26,957	-	43	5	1,207	2,218	3,545
Excess (deficiency) of receipts over disbursements	450	369,181	(94)	(26,957)	-	(43)	(5)	(1,207)	782	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	450	369,181	(94)	(26,957)	-	(43)	(5)	(1,207)	782	-
Cash and investments - ending	\$ 10,018	\$ 345,022	\$ 56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 782	\$ -

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

	PCCF - Igniting Math Learning	PCCF - Capable Communication	Project Great Income	TCHS Unlock the Box 2014	Welborn Healthy Schools 2011-2012	Welborn Heroes JH Grant 2012-2013	Welborn Gold Status Award	Welborn Grant 2013-2014	Welborn Baptist Mini Grant 2013
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,072	\$ 1,039	\$ -	\$ 6,616	\$ 1,113
Receipts:									
Local sources	3,378	1,750	1,000	500	169	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	3,378	1,750	1,000	500	169	-	-	-	-
Disbursements:									
Instruction	3,378	1,750	-	110	2,241	1,039	-	5,947	706
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	3,378	1,750	-	110	2,241	1,039	-	5,947	706
Excess (deficiency) of receipts over disbursements	-	-	1,000	390	(2,072)	(1,039)	-	(5,947)	(706)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,000	390	(2,072)	(1,039)	-	(5,947)	(706)
Cash and investments - ending	\$ -	\$ -	\$ 1,000	\$ 390	\$ -	\$ -	\$ -	\$ 669	\$ 407

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

	Donna Fenn Literacy Fund 2013-2014	Welborn 2014-2015 Heroes	Welborn Mini Grant 2014 - WTE	Stuff the Bus Campaign	Gerald Thomas Fund for Youth	Hire Technology Project	Jams At-Risk Program	Perry Co S.A. - Life Strategies	Donna Fenn LIT Fund 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 156	\$ 129	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	20,250	2,250	818	427	-	1,160	200	2,536
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	20,250	2,250	818	427	-	1,160	200	2,536
Disbursements:									
Instruction	-	14,138	1,838	921	-	-	89	187	1,270
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	533	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	14,138	1,838	921	533	-	89	187	1,270
Excess (deficiency) of receipts over disbursements	-	6,112	412	(103)	(106)	-	1,071	13	1,266
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,112	412	(103)	(106)	-	1,071	13	1,266
Cash and investments - ending	\$ -	\$ 6,112	\$ 412	\$ 53	\$ 23	\$ -	\$ 1,071	\$ 13	\$ 1,266

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

	WTE Lego League	United Way - Family Outreach	On Target 2012-2013	On Target 2013-2014	WTE "The League" Program 2010-2011	WTE "The League" Program 2011-2012	WTE "The League" Program 2013-2014	WTE "The League" Program 2014-2015	Bullying Prevention Program
Cash and investments - beginning	\$ -	\$ -	\$ 8,125	\$ 16,252	\$ -	\$ 436	\$ 500	\$ -	\$ 4,742
Receipts:									
Local sources	606	5,125	-	3,004	-	-	-	500	1,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	2,200
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	606	5,125	-	3,004	-	-	-	500	3,200
Disbursements:									
Instruction	-	1,308	5,597	-	-	436	500	500	3,775
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,308	5,597	-	-	436	500	500	3,775
Excess (deficiency) of receipts over disbursements	606	3,817	(5,597)	3,004	-	(436)	(500)	-	(575)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	606	3,817	(5,597)	3,004	-	(436)	(500)	-	(575)
Cash and investments - ending	\$ 606	\$ 3,817	\$ 2,528	\$ 19,256	\$ -	\$ -	\$ -	\$ -	\$ 4,167

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

	Bullying Prevention Program Jr.-Sr. HS	High Ability 2012-2013	High Ability 2013-2014	High Ability 2014-2015	Education Technology	Secured Schools Safety Grant	Non-English Speaking Grant 2012-2013	State Connectivity Grant	INDOT Safe Routes to School
Cash and investments - beginning	\$ 57	\$ -	\$ 10,563	\$ -	\$ -	\$ (9,584)	\$ -	\$ 1,181	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	30,199	-	17,173	-	4,365	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	30,199	-	17,173	-	4,365	-
Disbursements:									
Instruction	57	-	10,563	22,436	-	-	-	-	-
Support services	-	-	-	-	-	-	-	4,313	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	7,588	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	57	-	10,563	22,436	-	7,588	-	4,313	-
Excess (deficiency) of receipts over disbursements	(57)	-	(10,563)	7,763	-	9,585	-	52	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(57)	-	(10,563)	7,763	-	9,585	-	52	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 7,763	\$ -	\$ 1	\$ -	\$ 1,233	\$ -

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

	Title I 2012-2013	Title I 2013-2014	Title I 2014-2015	College Access Challenge Grant	CTE Technology Resource Grant	Perkins Grant 2012-2013	Perkins Grant 2013-2014	Perkins Grant 2014-2015	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ (8,725)	\$ -	\$ 1,000	\$ -	\$ -	\$ (1,535)	\$ -	\$ 41,239
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	59,120	212,672	-	-	-	13,085	23,541	7,190
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	59,120	212,672	-	-	-	13,085	23,541	7,190
Disbursements:									
Instruction	-	42,429	196,130	1,000	-	-	11,550	24,629	-
Support services	-	7,966	16,902	-	-	-	-	-	936
Noninstructional services	-	-	22,723	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	50,395	235,755	1,000	-	-	11,550	24,629	936
Excess (deficiency) of receipts over disbursements	-	8,725	(23,083)	(1,000)	-	-	1,535	(1,088)	6,254
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,725	(23,083)	(1,000)	-	-	1,535	(1,088)	6,254
Cash and investments - ending	\$ -	\$ -	\$ (23,083)	\$ -	\$ -	\$ -	\$ -	\$ (1,088)	\$ 47,493

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

	21st Century Learning Center	21st Century Learning CC 2015-2016	McKinney-Vento Homeless Grant	McKinney-Vento 2014-2015	Title II Part A 2012-2014	Title II Part A 2013-2015	Title II Part A 2011-2013	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (3,743)	\$ -	\$ -	\$ 44,831	\$ 4,065,753
Receipts:									
Local sources	-	-	-	-	-	-	-	-	8,253,634
Intermediate sources	-	-	-	-	-	-	-	-	184
State sources	-	-	-	-	-	-	-	-	9,645,752
Federal sources	138,782	-	11,487	12,000	19,302	42,092	-	-	964,039
Other receipts	-	-	-	-	-	-	-	2,493,270	2,548,865
Total receipts	138,782	-	11,487	12,000	19,302	42,092	-	2,493,270	21,412,474
Disbursements:									
Instruction	-	-	-	-	15,559	46,053	-	-	8,250,174
Support services	221,378	2,730	11,487	12,000	-	-	-	-	3,711,388
Noninstructional services	-	-	-	-	-	-	-	-	769,115
Facilities acquisition and construction	-	-	-	-	-	-	-	-	394,659
Debt service	-	-	-	-	-	-	-	-	2,957,880
Nonprogrammed charges	-	-	-	-	-	-	-	2,503,320	4,899,557
Total disbursements	221,378	2,730	11,487	12,000	15,559	46,053	-	2,503,320	20,982,773
Excess (deficiency) of receipts over disbursements	(82,596)	(2,730)	-	-	3,743	(3,961)	-	(10,050)	429,701
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	634,484
Transfers out	-	-	-	-	-	-	-	-	(634,484)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(82,596)	(2,730)	-	-	3,743	(3,961)	-	(10,050)	429,701
Cash and investments - ending	\$ (82,596)	\$ (2,730)	\$ -	\$ -	\$ -	\$ (3,961)	\$ -	\$ 34,781	\$ 4,495,454

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 25,242</u>	<u>\$ 113,458</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Tell City-Troy Township School Building Corporation	High School Building Remodeling	\$ 109,666	6/30/2007	6/30/2021
Tell City-Troy Township School Building Corporation	High School Building Remodeling	160,000	7/15/2009	7/15/2022
Tell City-Troy Township School Building Corporation	High School Building Remodeling	146,000	6/30/2012	12/31/2025
Tell City-Troy Township Elementary School Building Corporation	William Tell Elementary Construction	1,773,500	7/15/2005	1/15/2024
Tell City-Troy Township School Building Corporation	High School Building Improvements	<u>339,500</u>	1/15/2011	7/15/2029
Total governmental activities		<u>2,528,666</u>		
Total of annual lease payments		<u>\$ 2,528,666</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Pension Bonds 2004		\$ 3,245,000	\$ 416,933
Notes and loans payable	Energy Savings Loan 2007		138,031	73,056
Notes and loans payable	Purchase Chrome Books (Laptops) for Students		<u>124,573</u>	<u>64,197</u>
Total governmental activities			<u>3,507,604</u>	<u>554,186</u>
Totals			<u>\$ 3,507,604</u>	<u>\$ 554,186</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Basis for Disclaimer of Opinion on Child Nutrition Cluster

As described in items 2015-004, 2015-006, and 2015-007 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient documentation supporting the compliance of the School Corporation with the Child Nutrition Cluster requirements regarding Eligibility, Program Income, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), nor were we able to satisfy ourselves as to the School Corporation's compliance with those requirements by other auditing procedures.

Disclaimer of Opinion on Child Nutrition Cluster

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion on Child Nutrition Cluster* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the School Corporation's compliance with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

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 2015-001, 2015-003, 2015-005, 2015-008, 2015-009, 2015-010, and 2015-011. 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.


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

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, 2015-009, 2015-010, and 2015-011 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

July 6, 2017

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	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						
School Breakfast Program		10.553	FY2014	\$ -	\$ 110,213	\$ -	\$ -
School Breakfast Program		10.553	FY2015	-	-	-	87,759
Total - School Breakfast Program				-	110,213	-	87,759
National School Lunch Program							
School Lunch Program	Indiana Department of Education						
School Lunch Program		10.555	FY2014	-	394,272	-	-
School Lunch Program		10.555	FY2015	-	-	-	322,900
School Lunch Commodities		10.555	FY2014	-	51,015	-	-
School Lunch Commodities		10.555	FY2015	-	-	-	51,967
Total - National School Lunch Program				-	445,287	-	374,867
Summer Food Service Program for Children							
Summer Lunch Program	Indiana Department of Education						
Summer Lunch Program		10.559	FY2014	-	10,965	-	-
Summer Lunch Program		10.559	FY2015	-	-	-	14,109
Total - Summer Food Service Program for Children				-	10,965	-	14,109
Total - Child Nutrition Cluster				-	566,465	-	476,735
Total - Department of Agriculture				-	566,465	-	476,735
<u>Department of Transportation</u>							
Highway Planning and Construction Cluster							
Highway Planning and Construction	Indiana Department of Transportation						
Safe Routes to School		20.205	EDS #A249-10-3201751	-	223	-	-
Total - Highway Planning and Construction Cluster				-	223	-	-
Total - Department of Transportation				-	223	-	-
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to State							
FY2013 Part B IDEA 611	Indiana Department of Education						
FY2014 Part B IDEA 611		84.027	14213011PN01	-	154,480	-	14,495
FY2015 Part B IDEA 611		84.027	14214011PN01	-	159,149	-	142,692
FY2014 Tech Assist		84.027	14215011PN01	-	-	-	145,338
FY2014 Tech Assist		84.027	99914011TA01	-	4,318	-	2,575
Total - Special Education_Grants to States				-	317,947	-	305,100
Special Education_Preschool Grants							
FY2013 Preschool 619	Indiana Department of Education						
FY2014 Preschool 619		84.173	45713011PN01	-	8,209	-	-
FY2015 Preschool 619		84.173	45714011PN01	-	7,145	-	8,896
FY2015 Preschool 619		84.173	45715011PN01	-	-	-	6,635
Total - Special Education_Preschool Grants				-	15,354	-	15,531
Total - Special Education Cluster (IDEA)				-	333,301	-	320,631

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
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
Department of Education (continued)							
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I 2012/2013		84.010	Project #13-6350	-	30,973	-	-
Title I 2013/2014		84.010	Project #14-6350	-	145,320	-	59,120
Title I 2014/2015		84.010	Project #15-6350	-	-	-	212,672
Total - Title I Grants to Local Educational Agencies				-	176,293	-	271,792
Career and Technical Education -- Basic Grants to States	Indiana Department of Education						
Perkins Grant 2012/13		84.048	13-4700-6350	-	10,095	-	-
Perkins Grant 2013/14		84.048	13-4700-6350	-	18,896	-	13,085
Perkins Grant 2014/15		84.048	14-4700-6350	-	-	-	23,541
CTE Technology Resource Project		84.048	EDS # A58-3-13CI-1564	-	15,000	-	-
Total - Career and Technical Education -- Basic Grants to States				-	43,991	-	36,626
Safe and Drug-Free Schools and Communities_National Programs	Perry Central Community School Corporation						
Safe Schools Healthy Students		84.184	Q184L090440	-	148,043	-	26,957
Education for Homeless Children and Youth	Indiana Department of Education						
McKinney-Vento 2013/2014		84.196	A58-4-14SS-1808	-	24,893	-	11,487
McKinney-Vento 2014/2015		84.196	A58-5-15SS-2343	-	-	-	12,000
Total - Education for Homeless Children and Youth				-	24,893	-	23,487
Twenty-First Century Community Learning Centers	Indiana Department of Education						
21st Century Community Learning Centers Program 2014/15 Year 1		84.287	A58-5-15DL-2133	-	-	-	138,782
Improving Teacher Quality State Grants	Indiana Department of Education						
Title II Part A 2011-2013		84.367	Project #11-6350	-	7,481	-	-
Title II Part A 2012-2014		84.367	Project #12-6350	-	37,623	-	19,302
Title II Part A 2013-2015		84.367	Project #13-6350	-	-	-	42,092
Total - Improving Teacher Quality State Grants				-	45,104	-	61,394
College Access Challenge Grant Program	Indiana Commission for Higher Education						
College Go! Week Success Grant		84.378	P378A120012 2012	-	-	-	1,000
Total - Department of Education				-	771,625	-	880,669
Department of Health and Human Services							
Medicaid Cluster	Indiana Department of Education						
Medical Assistance Program							
Medicaid Reimbursement		93.778	FY2014	-	7,242	-	7,190
Total - Medicaid Cluster				-	7,242	-	7,190
Total - Department of Health and Human Services				-	7,242	-	7,190
Total federal awards expended				\$	1,345,555	\$	1,364,594

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation 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-87, *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. Exceptional Children's Cooperative

The School Corporation is a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement of the School Corporation.

TELL CITY-TROY TOWNSHIP 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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	
Child Nutrition Cluster	Disclaimed
Title I Grants to Local Educational Agencies	Unmodified
Special Education Cluster (IDEA)	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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies

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

No matters are reportable.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001

Subject: Special Education_Grants to States - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Special Education_Grants to States
CFDA Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 14213011PN01, 14214011PN01,
14215011PN01, 99914011TA01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matter

Condition

The School Corporation was a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds.

Management of the Cooperative had not established an effective internal control system to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The Cooperative's Director signed the Application and Assurance Plan as a Condition of Federal Assistance, which stated that the Cooperative would check subcontractors to ensure they were not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana. However, the Cooperative did not have procedures in place to verify that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a contract with them. Additionally, the School Corporation did not monitor if the Cooperative was in compliance with the Procurement and Suspension and Debarment compliance requirement.

Context

During the 2014-2015 school year, there were two contracts entered into that exceeded \$25,000. The Cooperative did not verify that the vendors were not suspended or debarred prior to awarding the contracts.

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. . . ."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the grant agreement and the Procurement and Suspension and Debarment requirements.

Effect

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

Questioned Costs

There were no question costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment requirements listed above.

Views of Responsible Officials

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

FINDING 2015-002

Subject: Internal Controls over the Child Nutrition Cluster

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Cash Management, Eligibility, Procurement and Suspension and Debarment, Program Income, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the following compliance requirements: Allowable Costs/Cost Principles, Cash Management, Eligibility, Procurement and Suspension and Debarment, Program Income, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity.

Allowable Costs/Cost Principles

An effective internal control system was not in place to ensure that documentation was maintained to support the employees' time worked on federal programs.

Cash Management (School Breakfast Program and National School Lunch Program only)

An effective internal control system was not in place to monitor the School Lunch fund monthly cash balances (Net Cash Resources) to ensure that they did not exceed the three months average expenditures.

Eligibility (School Breakfast Program and National School Lunch Program only)

An effective internal control system was not in place to ensure that all eligibility criteria was publicly announced and that all records related to eligibility determination were retained and available for audit.

Procurement and Suspension and Debarment

An effective internal control system was not in place to ensure that contracts were entered into with the successful bidders and that suspension and debarment verifications were completed.

Program Income (School Breakfast Program and National School Lunch Program only)

An effective internal control system was not in place to ensure that program income was properly receipted and recorded into the School Lunch fund.

Reporting

An effective internal control system was not in place to ensure that the Sponsor Claim (claims for reimbursement), Annual Financial Reports, and School Food Authority (SFA) Verification Collection Reports were accurately prepared and submitted.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) (School Breakfast Program and National School Lunch Program only)

An effective internal control system was not in place to ensure that verification of free and reduced price applications was completed and that the supporting documentation of the verification process was retained and available for audit.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

An effective internal control system was not in place to ensure that the paid lunch prices were adjusted according to the weighted-average paid lunch price calculations.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

This was a systemic problem. Controls did not exist over the compliance requirements listed above during the audit period.

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, including segregation of duties that would have ensured that the School Corporation complied with the compliance requirements listed above.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Finding: Other Matter

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation did not maintain documentation to support employees' salaries and wages charged to the federal programs. For those employees that were paid solely from the School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (school food service program), time cards were maintained; however, Semi-Annual Certifications that the employees worked solely on a specific program were not completed during the audit period.

There was one employee that had a portion of their wages paid from the school food service program. No documentation was available to support the portion of their wages that was charged to the program. Personnel Activity Reports were not completed for this employee.

The salary of the Extracurricular Manager (Manager) was paid at a rate of 20 percent during the 2013-2014 school year and 23 percent during the 2014-2015 school year from the school food service programs. Personnel Activity Reports were not maintained documenting the Manager's time worked on the school food service program.

Context

During the audit period, Semi-Annual Certifications and Personnel Activity Reports were not being maintained.

Criteria

OMB Circular A-87, Attachment B, Item 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 first hand 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. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles requirements.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Wages paid from the school food service program to the one employee with prorated time totaled \$10,993 during the audit period and are considered to be questioned costs.

Recommendation

We recommended that the School Corporation comply with the Allowable Costs/Cost Principles requirements.

Views of Responsible Officials

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

FINDING 2015-004

Subject: School Breakfast Program and National School Lunch Program - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Scope Limitation/Modified Opinion

Condition

The School Corporation participated in the school food service program and based students' eligibility status on the information recorded in the cafeteria software. The School Corporation relied on the eligibility designations within the software as administered.

The School Corporation was not able to access information in the cafeteria software for the audit period; therefore, eligibility testing could not be performed.

In addition, the School Corporation did not publicly announce all the criteria for determining the eligibility of children for free and reduced price meals during the audit period.

Context

Eligibility testing could not be performed for either school year in the audit period. Criteria for determining the eligibility of children to receive free and reduced price meals was not publicly announced during the audit period.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

7 CFR 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating school under its jurisdiction: . . .

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

7 CFR 245.5(a) states in part:

"After the State agency, or FNSRO where applicable, notifies the local educational agency (as defined in § 245.2) that its criteria for determining the eligibility of children for free and reduced price meals and for free milk have been approved, the local educational agency (as defined in § 245.2) shall publicly announce such criteria: . . . The public announcement of such criteria, as a minimum, shall include the following:

- (1) Except as provided in § 245.6(b), a letter or notice and application distributed on or about the beginning of each school year, to the parents of all children in attendance at school. . . .
- (2) On or about the beginning of each school year, a public release, containing the same information supplied to parents, and including both free and reduced price eligibility criteria shall be provided to the informational media, the local unemployment office, and to any major employers contemplating large layoffs in the area from which the school draws its attendance."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit and that eligibility criteria to receive free and reduced price meals was publicly announced.

Effect

The failure to establish controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with Eligibility requirements.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit and all eligibility criteria to receive free and reduced price meals was publicly announced.

Views of Responsible Officials

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

FINDING 2015-005

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Other Matter

Condition

The School Corporation solicited bids for the purchase of bread and dairy products for the school food service program for each school year. The School Board accepted and awarded the bids during public meetings; however, no contracts were signed with the successful vendor. The School Corporation did not verify that the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to accepting the bid.

Context

There were no contracts entered into for the purchase of bread and dairy products for either school year in the audit period. There was no evidence for either year that the School Corporation verified that the vendor was not suspended or debarred prior to awarding the bid.

Criteria

7 CFR 3016.36(b) states in part:

"Procurement standards:

- (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section. . . ."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirement could 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 comply with the Procurement and Suspension and Debarment requirements.

Views of Responsible Officials

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

FINDING 2015-006

Subject: School Breakfast Program and National School Lunch Program - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Scope Limitation/Modified Opinion

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation did not comply with requirements for accounting for program income generated from the operation of the school food service program. A single fund, the School Lunch fund, was used to account for all activity of the school food service program.

The School Corporation maintained prepaid accounts for students. When prepaid funds were received, they were receipted with the program income into the School Lunch fund as revenue, with no distinction between the prepaid accounts and the program income generated from the school food service program.

Context

This was a systemic problem. The School Corporation's procedures for recording receipts in the School Lunch fund prevented the ability to determine whether the School Corporation was in compliance with the Program Income requirements.

Criteria

7 CFR 3016.20 (b)(2) states:

"*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, outlays or expenditures, and income."

Cause

Management had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were properly identified and accounted for.

Effect

The failure to establish controls that would have ensured proper receipting and recording of program income prevented the determination of the School Corporation's compliance with Program Income requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation comply with the Program Income requirements and segregate the prepaid receipts from the program income receipts.

Views of Responsible Officials

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-007

Subject: School Breakfast Program and National School Lunch Program - Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Audit Findings: Scope Limitation/Modified Opinion

Condition

The Verification Summary for the 2013-2014 school year indicated that seven applications were verified; however, documentation supporting the review process was not available for audit indicating what actions had been taken.

The Verification Summary for the 2014-2015 school year indicated that five applications were selected for verification; however, information was not available to support the total number of applications that were reported on the Verification Summary in order to determine whether the correct number of applications were selected for verification.

Context

It could not be determined whether the verification process was correctly performed for either year of the audit period.

Criteria

7 CFR 210.15(b) states in part:

"*Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

- (4) Currently approved and denied applications for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title; . . ."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating school under its jurisdiction: . . .

- (14) Retain documentation of free or reduced price eligibility as follows:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (i) Maintain files of currently approved and denied free and reduced price applications which must be readily retrievable by school for a period of three years after the end of the fiscal year to which they pertain; or
- (ii) Maintain files with the names of children currently approved for free meals through direct certification with the supporting documentation, as specified in § 245.6(b)(4) of this chapter, which must be readily retrievable by school. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

Effect

The failure to establish controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish a system of internal controls that would have ensured that records are retained and available for audit.

Views of Responsible Officials

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

FINDING 2015-008

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Other Matter

Condition

The School Corporation did not adjust the paid lunch prices in accordance with the paid lunch equity calculations for the 2013-2014 and 2014-2015 school years.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The Indiana Department of Education performed the weighted-average paid lunch price calculation on behalf of the School Corporation for the 2013-2014 school year. Based on this calculation, the School Corporation was required to increase paid lunch prices by the maximum price adjustment of 10 cents. The actual paid lunch price charged for the 2013-2014 school year was \$2.15 which reflected only a 5 cent price increase over the prior school year.

The School Corporation was required to perform the weighted-average paid lunch price calculation for the 2014-2015 school year. The School Corporation performed the calculation which resulted in a required paid lunch price increase of 10 cents per meal. However, the paid lunch price remained at \$2.15 for the 2014-2015 school year.

Criteria

7 CFR 210.14(e) states in part:

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

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (i.e., the reimbursement difference);

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

(4) *Price Adjustments.*

(i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Special Tests and Provisions - Paid Lunch Equity requirements.

Effect

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no question costs identified.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation comply with the Special Tests and Provisions - Paid Lunch Equity requirements.

Views of Responsible Officials

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

FINDING 2015-009

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

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): Project #13-6350, Project #14-6350,
Project #15-6350

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matter

Condition

Management of the School Corporation had not established an effective internal control system that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

During the 2013-2014 school year, the School Corporation paid a portion of the salary of an elementary school Principal out of Title I Grants to Local Educational Agencies program for performing Title I administrative duties. These duties were performed during the same period that was covered by their regular Principal's contract.

In addition, the School Corporation did not maintain Semi-Annual Certifications for employees that worked solely on one cost center.

Context

During the 2013-2014 school year, \$10,000 was paid to the elementary school Principal for Title I administrative duties performed during the same period covered by the regular Principal contract.

During the audit period, no Semi-Annual Certifications were being maintained for employees that worked solely in one cost center.

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. . . ."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Title I Fiscal Handbook - Title I Payment for Administrative Salaries states in part:

"The duties a principal takes on to serve as Title I Program Administrator may be additional to a principal's responsibilities, however, this situation presents a programmatic issue because IDOE questions whether an individual performing the duties of a full-time principal can also effectively carry out Title I administrative duties such as SWP, School Improvement, Parent Involvement, Non-public School Consultation, and Evaluation of Programs. Many of these activities need to be carried out during the day. Principals may receive payment for Title I work if it is outside of their contract. . . .

In such a case, a separate contract must be prepared with a description of services to be performed, dates and hours when services will be performed, location where services will be performed and the description of the number of teachers/students to be served (if applicable). The contract period will be after the end of the current year school contract. This contract cannot be paid until after the duties have been performed. The daily rate of the contract cannot exceed the daily rate of pay provided under the administrative contract for that individual during the school year."

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

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish internal controls enabled material noncompliance with the grant agreement and the compliance requirement to occur.

Questioned Costs

Wages paid from Title I funds to the elementary school Principal totaled \$10,000 during the 2013-2014 school year and are considered to be questioned costs.

Recommendation

We recommended that the School Corporation's management establish controls and policies and procedures to ensure compliance with the Allowable Costs/Cost Principles requirements.

Views of Responsible Officials

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-010

Subject: Title I Grants to Local Educational Agencies - Equipment and Real Property Management
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): Project #13-6350, Project #14-6350,
Project #15-6350
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matter

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Equipment and Real Property Management compliance requirement. The School Corporation did not maintain complete property records that included the source of the property, who holds title, the acquisition date, the acquisition cost, percentage of Federal participation in the cost of the property, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

The School Corporation's procedure was to have the teachers take a physical inventory of their classroom at the end of each school year; however, the physical inventories were discarded when the subsequent year physical inventory was presented. No documentation was provided for audit to verify the physical inventories were conducted for the audit period.

Context

None of the equipment purchased during the audit period was properly recorded on property records. There was no evidence that a physical inventory was taken during the audit period.

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 80.32(d) states in part:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

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

Effect

The failure to establish internal controls enabled material noncompliance to occur. Noncompliance with the grant agreement or the compliance requirement could result 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 and policies and procedures to ensure compliance with the Equipment and Real Property Management requirements.

Views of Responsible Officials

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

FINDING 2015-011

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): Project #14-6350

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals

Audit Findings: Material Weakness, Other Matter

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirement. The School Corporation paid student workers for after school tutoring from Title I Grants to Local Educational Agencies (Title I) funds. Student workers do not meet the criteria established by the grant guidelines for highly qualified paraprofessionals.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

During the 2013-2014 school year, there were seven student workers paid for after school tutoring from Title I Grant funds at a rate of \$6.25 per hour. The total paid to the student workers was \$1,678.

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 200.58(c) states:

"*New paraprofessionals*. A paraprofessional covered under paragraph (a) of this section who is hired after January 8, 2002 must have -

- (1) Completed at least two years of study at an institution of higher education;
- (2) Obtained an associate's or higher degree; or
- (3)(i) Met a rigorous standard of quality, and can demonstrate - through a formal State or local academic assessment - knowledge of, and the ability to assist in instructing, as appropriate -
 - (A) Reading/language arts, writing, and mathematics; or
 - (B) Reading readiness, writing readiness, and mathematics readiness.
- (ii) A secondary school diploma or its recognized equivalent is necessary, but not sufficient, to meet the requirement in paragraph (c)(3)(i) of this section."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirement.

Effect

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
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 policies and procedures to ensure compliance with the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals requirements.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENT

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

Tell City-Troy Township School Corporation

John Anthony Scioldo II
Superintendent
john.scioldo@tellcity.k12.in.us

"Home of the Marksmen"

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CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: John A. Scioldo
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: As a member of the Board of the Exceptional Children's Co-op, the superintendent will ensure that the Exceptional Children's Co-op verifies that vendors are not suspended or debarred from participating in federal assistance programs prior to awarding contracts with them.

Anticipated Completion Date: Immediate



Superintendent

(Title)

June 21, 2017

(Date)

Tell City-Troy Township School Corporation

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Superintendent
john.scioldo@tellcity.k12.in.us

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CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Cash Management: ECA Manager is compiling a worksheet of monthly cash balances containing a formula to check average expenditures for the prior three months. The worksheet has been compiled retroactive to July 1, 2015.

Allowable Costs/Cost Principals: See response in Finding 2015-003

Eligibility: See response in Finding 2015-004

Procurement and Suspension and Debarment: See response in finding 2015-005

Program Income: See response in finding 2015-006

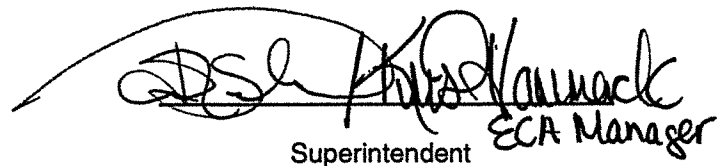
Reporting: Claims, reports and summaries will be reviewed and approved by the Superintendent following preparation by the ECA Manager. The Corporation Office Assistant will assist with compiling information and attaching backup documentation for all claims, reports and summaries.

Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP) (School Breakfast Program and National School Lunch Program): See response in finding 2015-007

Special Tests and Provisions - Paid Lunch Equity: See response in finding 2015-008

In general, more oversight and levels of control will be implemented so that other personnel in addition to the ECA Manager will handle various aspects of this Federal program to ensure the award is being managed to comply with required provisions.

Anticipated Completion Date: Immediate


Superintendent ECA Manager

(Title)

June 21, 2017

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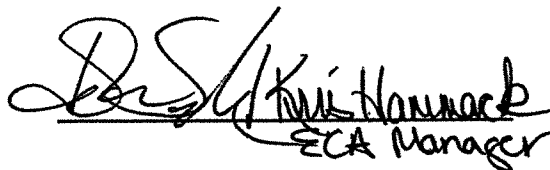
FINDING 2015-003

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: In the event of employees working solely on a single Federal award, a Semi-Annual Certification will be maintained, to be signed by the employee or a supervisory official with knowledge of the work performed. In the case of employees being paid from both a Federal award and another fund, such as General, a Time and Effort Log will be maintained by the employee and signed by a supervisory official.

Anticipated Completion Date: Immediate



ECA Manager

Superintendent

(Title)

June 21, 2017

(Date)

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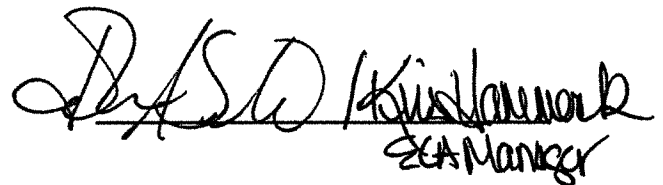
FINDING 2015-004

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: At the end of each school year, all free and reduced web applications will be printed and stored for auditing purposes. In addition, the school corporation will be using the Indiana Department of Education State Assistance Eligibility Parent Letter/Instructions to inform the public of eligibility criteria. This will be posted on our website and also sent home with each student in the back to school parent packet on the first day of school.

Anticipated Completion Date: Immediate



Superintendent

(Title)

June 21, 2017

(Date)

Tell City-Troy Township School Corporation

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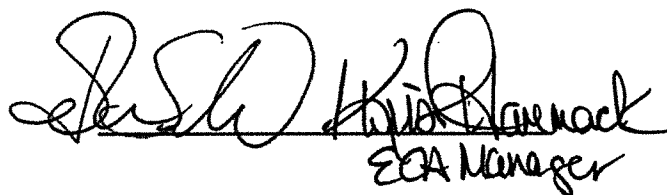
FINDING 2015-005

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The superintendent will ensure that contracts for successful bread and dairy vendors are signed, and furthermore, will verify that the vendors have not been suspended or debarred prior to accepting the bid.

Anticipated Completion Date: Immediate



John A. Scioldo II
ECA Manager

Superintendent

(Title)

June 21, 2017

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2015-006

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack
Contact Phone Number: 812-547-3300

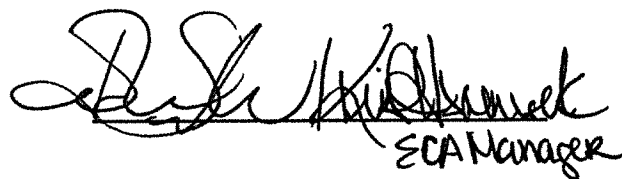
Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Daily Harmony Cafeteria Line Report, Harmony Bank Deposit Report, Yellow Bank Deposit and Bank Deposit Receipt are submitted daily to Central Office. ECA Manager will process daily cash and checks deposits, "pre-paid deductions" and credit card deposits, in Komputrol and attached Komputrol receipt. This will all be filed together instead of separate.

ECA Manager will be breaking down and documenting in Komputrol the amount of cash and check received in "point of sale" and "pre-paid" in each fund as well as documenting who each deposit was received by.

Anticipated Completion Date: Immediate



Kristinia Hammack
ECA Manager

Superintendent

(Title)

June 21, 2017

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2015-007-

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: At the end of each school year all free and reduced web applications for the given school year will be printed and stored for auditing purposes.

Anticipated Completion Date: Immediate



Kristinia Hammack
ECA Manager

Superintendent

(Title)

June 21, 2017

(Date)

Tell City-Troy Township School Corporation

John Anthony Scioldo II
Superintendent
john.scioldo@tellcity.k12.in.us

"Home of the Marksmen"

Administrative Office
837 17th Street
Tell City, IN 47586
Phone: (812) 547-3300
Fax: (812) 547-9704

CORRECTIVE ACTION PLAN

FINDING 2015-008

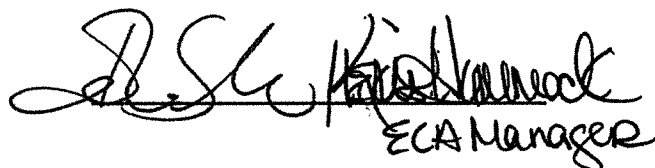
Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: ECA Manager will be completing and using the paid lunch equity calculation tool provided by the DOE, to make sure lunch prices are compliant with state guidelines. The Superintendent will take any pricing changes to the School Board in July for the upcoming school year.

Anticipated Completion Date: Immediate



Kristinia Hammack
ECA Manager

Superintendent

(Title)

June 21, 2017

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2015-009-


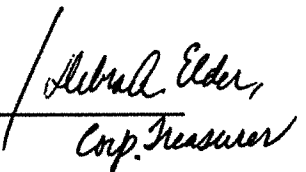
Contact Person Responsible for Corrective Action: John A. Scioldo and Debra Elder

Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school corporation acknowledges that a portion of the elementary principal's salary was paid from Title I during the first year of this audit period for her services as Title I Program Administrator. This expense had been approved by the DOE in the Title I budget. The corporation was unaware of the Title I Fiscal Handbook policy in which a separate contract is to be prepared including a detailed description of services performed. The elementary principal has not been paid from Title I since that particular school year. However, going forward, in the event of employees working solely on a single Federal award, a Semi-Annual Certification will be maintained, signed by the employee or a supervisory official with knowledge of the work performed. In the case of employees being paid from both a Federal award and another fund, such as General, a Time and Effort Log will be maintained by the employee and signed by a supervisory official.

Anticipated Completion Date: July 1, 2017

 / 
Corp. Treasurer

Superintendent

(Title)

June 21, 2017

(Date)

Tell City-Troy Township School Corporation

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Superintendent
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CORRECTIVE ACTION PLAN

FINDING 2015-010

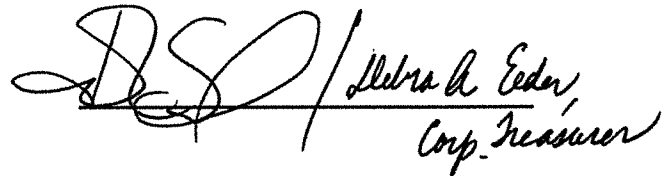
Contact Person Responsible for Corrective Action: John A. Scioldo and Debra Elder

Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The superintendent will require building administrators to keep physical records on file of the inventories taken by teachers at the end of each school year. These physical records can then be used for future audits to verify and provide proof of the physical inventories that were conducted for said audit period.

Anticipated Completion Date: July 1, 2017

 Debra A. Elder
Corp. Treasurer

Superintendent

(Title)

June 21, 2017

(Date)

Tell City-Troy Township School Corporation

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Superintendent
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CORRECTIVE ACTION PLAN

FINDING 2015-011

Contact Person Responsible for Corrective Action: John A. Scioldo and Debra Elder

Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Student workers will no longer be paid from Title I or other Federal Funds now that the corporation is aware that this is not allowed. Procedures to ensure compliance with the Special Tests and Provisions – Highly Qualified Teachers and Paraprofessional requirements, will be established.

Anticipated Completion Date: July 1, 2017


Debra A. Elder,
Corp. Treasurer

Superintendent

(Title)

June 21, 2017

(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/>.