

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

WEST CLARK COMMUNITY SCHOOLS  
CLARK COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
09/08/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	R. Mac Dyer	07-01-13 to 06-30-14
	(Vacant)	07-01-14 to 07-31-14
	R. Mac Dyer	08-01-14 to 12-31-17
Superintendent of Schools	Monty Schneider	07-01-13 to 06-30-15
	Chad Schenck	07-01-15 to 06-30-20
President of the School Board	Brian Hurst	07-01-13 to 12-31-16
	Joe Basham	01-01-17 to 12-31-17



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WEST CLARK COMMUNITY SCHOOLS, CLARK COUNTY, INDIANA

### **Report on the Financial Statement**

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

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

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

### ***Auditor's Responsibility***

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

As discussed in Note 1 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.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated July 20, 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 20, 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 WEST CLARK COMMUNITY SCHOOLS, CLARK 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 West Clark Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated July 20, 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 to be material weaknesses.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

**West Clark Community Schools' Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

July 20, 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.

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 6,208,845	\$ 28,664,362	\$ 26,340,013	\$ 278,214	\$ 8,811,408	\$ 28,633,298	\$ 27,827,826	\$ 64,509	\$ 9,681,389
Debt Service	4,342,946	7,506,512	7,517,524	(32,161)	4,299,773	7,886,180	7,573,210	(37,027)	4,575,716
Retirement/Severance Bond Debt Service	51,515	624,601	630,442	-	45,674	649,588	627,421	-	67,841
Capital Projects	1,516,270	3,513,838	3,406,806	24,875	1,648,177	3,042,824	2,736,873	-	1,954,128
School Transportation	1,101,706	2,134,393	2,171,119	(13,880)	1,051,100	2,172,223	2,396,123	-	827,200
School Bus Replacement	929,176	387,230	542,076	37,702	812,032	258,025	695,498	-	374,559
Rainy Day	1,003,770	-	-	-	1,003,770	-	-	-	1,003,770
Retirement/Severance Bond	971,668	425	-	(121,223)	850,870	260	170,049	-	681,081
Construction	48,275	-	-	-	48,275	-	-	-	48,275
Disaster Grant	2,058	-	-	-	2,058	-	-	-	2,058
School Lunch	294,831	2,031,550	1,867,240	1,976	461,117	2,054,427	2,172,948	-	342,596
Textbook Rental	382,403	704,595	645,067	32,161	474,092	779,045	854,094	37,027	436,070
Levy Excess	1,258,457	-	-	-	1,258,457	-	-	-	1,258,457
Educational License Plates	16,236	432	-	-	16,668	318	-	-	16,986
Alternative Education	-	9,078	-	-	9,078	19,986	-	-	29,064
Early Intervention Grant	38,000	-	-	-	38,000	10,000	9,484	-	38,516
Indiana Literacy Early Intervention	39	-	-	-	39	-	-	-	39
Henryville Tornado Fund	625,714	36,398	370,219	(187,951)	103,942	-	49,888	-	54,054
New Hope Disaster Relief Fund	14,949	-	14,949	-	-	-	-	-	-
Communities in Schools Clark County Donation	-	800	-	-	800	-	-	-	800
PNC Library Donation	2,500	-	2,472	-	28	-	-	-	28
Community Foundation of Southern Indiana Grant	3,300	1,300	4,027	-	573	500	392	-	681
SCPS PTO Donation	-	-	-	-	-	1,527	627	-	900
Title III LEP Materials Fund	2,640	-	-	-	2,640	-	366	-	2,274
Scholarships and Awards	-	120	-	-	120	120	120	-	120
SCMS Athletic Fund	506	-	-	-	506	-	-	-	506
Community Foundation Grant	-	-	-	-	-	4,250	4,041	-	209
SCPS PTO Donations	-	-	-	-	-	3,843	1,951	-	1,892
WHAS Crusade for Children	-	22,163	23,175	-	(1,012)	27,976	30,287	-	(3,323)
BHS Contributions/Donations	-	-	-	-	-	400	-	-	400
Fund for the Arts	405	-	-	-	405	-	-	-	405
Indiana Next Grant	1,350	-	-	-	1,350	-	-	-	1,350
Community Foundation Grant	17	-	17	-	-	-	-	-	-

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

WEST CLARK COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015  
(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
AM Library-Beyond Words Grant	60	-	-	-	60	-	-	-	60
SCHS Contributions/Donations	-	-	-	-	-	500	500	-	-
SCMS Contributions/Donations	-	-	-	-	-	1,500	1,500	-	-
McDonald Grant Award	178	-	-	-	178	-	-	-	178
Borden Ministerial Association Grant	3,134	-	679	-	2,455	-	299	-	2,156
High Ability Grant	8,714	43,910	43,588	-	9,036	45,919	44,303	-	10,652
Common School Loan	40,354	650,157	690,511	-	-	440,622	655,711	-	(215,089)
Medicaid Reimbursement	16,276	71,443	3,003	(39,025)	45,691	85,273	29,560	(63,029)	38,375
Scholarship Fund-SCHS	13,806	6	1,000	-	12,812	6	1,000	-	11,818
Non-English Speaking Programs P.L. 273-1999	-	7,634	7,634	-	-	10,718	10,718	-	-
School Technology Fund	21,926	7,620	23,797	-	5,749	7,845	-	-	13,594
HSTW 2003 Salaries	497	-	-	-	497	-	-	-	497
Title I	(90,941)	343,863	321,706	833	(67,951)	388,105	413,285	-	(93,131)
Title I Part D	-	-	5,096	-	(5,096)	11,179	6,946	-	(863)
Title I FY 12, FY 13	-	-	33	(833)	(866)	-	(866)	-	-
Serve America	2,836	-	-	-	2,836	-	-	-	2,836
Spec Ed Part B 611 FY 12	(156,642)	234,073	77,831	-	(400)	-	(400)	-	-
Spec Ed Part B 611	-	207,021	270,061	-	(63,040)	365,268	384,948	-	(82,720)
Technical Assistance Grant	-	11,189	12,190	-	(1,001)	-	9,253	-	(10,254)
Federal Assistance Educational Preschool Handicapped	(24,495)	24,495	53,347	-	(53,347)	47,667	(2,706)	-	(2,974)
HSTW-2004	1,193	-	-	-	1,193	-	-	-	1,193
Medicaid Reimbursement - Federal	16,383	35,807	8,333	21,422	65,279	31,273	47,261	-	49,291
Educating America, Title III	1,000	-	-	-	1,000	-	-	-	1,000
Improving Teaching Quality, No Child Left, Title II, Part A	(23,992)	82,507	70,509	-	(11,994)	65,239	94,338	-	(41,093)
Regional Library Grant	4	-	-	-	4	-	-	-	4
Title III - Language Instruction	(2,570)	12,012	9,535	-	(93)	13,919	19,803	-	(5,977)
Technology Literacy Challenge, Title III	27	-	-	-	27	-	-	-	27
Prepaid Food	11,673	1,016,918	1,023,702	-	4,889	1,091,647	1,024,236	-	72,300
Payroll Clearing	180,444	7,545,546	7,708,578	-	17,412	7,762,367	7,747,892	-	31,887
<b>Totals</b>	<b>\$ 18,837,441</b>	<b>\$ 55,931,998</b>	<b>\$ 53,866,279</b>	<b>\$ 2,110</b>	<b>\$ 20,905,270</b>	<b>\$ 55,913,837</b>	<b>\$ 55,638,779</b>	<b>\$ 1,480</b>	<b>\$ 21,181,808</b>

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

WEST CLARK COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

School Corporation, as used herein, shall include, but is not limited to, 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.

*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.

WEST CLARK COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

*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 services.* 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:

WEST CLARK COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

WEST CLARK COMMUNITY SCHOOLS  
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:

WEST CLARK COMMUNITY SCHOOLS  
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.

**Note 7. Negative Receipts and Disbursements**

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

WEST CLARK COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the reimbursement requests for expenditures submitted by the School Corporation, not being received by June 30, 2015.

**Note 9. Holding Corporation**

The School Corporation has entered into a capital lease with the West Clark 2000 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2014 and 2015 totaled \$6,743,000 and \$6,806,000, respectively.

**Note 10. Subsequent Events**

The School Corporation intends on issuing \$5,700,000 of a total capacity of \$5,740,351.43 worth of General Obligation Bonds in 2017 with the first payment beginning in July 2018 and the last payment scheduled for January 2020. The total estimated payback for principal and interest is estimated at \$5,872,394.17. The estimated net interest cost is estimated at 2.1502235 percent. The uses from the bond issue are to be determined during a 1028 hearing scheduled in August 2017. The proceeds from the bond issue are to be allocated in separate projects not to exceed \$2,000,000.

The School Corporation intends on issuing \$2,000,000 of a total estimated capacity of \$2,765,351.43 worth of General Obligation Bonds in 2018 with the first payment beginning in July 2019 and the last payment scheduled for January 2021. The total estimated payback for principal and interest is \$2,061,392.92. The estimated net interest cost is estimated at 2.1535079 percent. The uses from the bond issue are to be determined at a 1028 meeting scheduled in July 2018. The proceeds from the bond issue are to be allocated in separate projects not to exceed \$2,000,000.

**Note 11. Other Postemployment Benefits**

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, and vision. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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## OTHER INFORMATION - UNAUDITED

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 6,208,845	\$ 4,342,946	\$ 51,515	\$ 1,516,270	\$ 1,101,706	\$ 929,176	\$ 1,003,770	\$ 971,668	\$ 48,275
Receipts:									
Local sources	295,807	7,506,512	624,601	3,112,459	2,130,878	387,230	-	425	-
Intermediate sources	23	-	-	-	-	-	-	-	-
State sources	27,248,933	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	3,515	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	1,119,599	-	-	401,379	-	-	-	-	-
Total receipts	28,664,362	7,506,512	624,601	3,513,838	2,134,393	387,230	-	425	-
Disbursements:									
Instruction	19,804,925	-	-	-	-	-	-	-	-
Support services	6,272,848	-	-	1,998,800	2,171,119	542,076	-	-	-
Noninstructional services	260,445	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,795	-	-	1,408,006	-	-	-	-	-
Debt services	-	7,517,524	630,442	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	26,340,013	7,517,524	630,442	3,406,806	2,171,119	542,076	-	-	-
Excess (deficiency) of receipts over disbursements	2,324,349	(11,012)	(5,841)	107,032	(36,726)	(154,846)	-	425	-
Other financing sources (uses):									
Sale of capital assets	1,100	-	-	-	1,010	-	-	-	-
Transfers in	277,114	-	-	24,875	-	37,702	-	-	-
Transfers out	-	(32,161)	-	-	(14,890)	-	-	(121,223)	-
Total other financing sources (uses)	278,214	(32,161)	-	24,875	(13,880)	37,702	-	(121,223)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,602,563	(43,173)	(5,841)	131,907	(50,606)	(117,144)	-	(120,798)	-
Cash and investments - ending	\$ 8,811,408	\$ 4,299,773	\$ 45,674	\$ 1,648,177	\$ 1,051,100	\$ 812,032	\$ 1,003,770	\$ 850,870	\$ 48,275

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

	Disaster Grant	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Indiana Literacy Early Intervention	Henryville Tornado Fund
Cash and investments - beginning	\$ 2,058	\$ 294,831	\$ 382,403	\$ 1,258,457	\$ 16,236	\$ -	\$ 38,000	\$ 39	\$ 625,714
Receipts:									
Local sources	-	1,075,478	422,756	-	-	-	-	-	36,398
Intermediate sources	-	-	-	-	432	-	-	-	-
State sources	-	21,920	281,839	-	-	9,078	-	-	-
Federal sources	-	932,694	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	1,458	-	-	-	-	-	-	-
Total receipts	-	2,031,550	704,595	-	432	9,078	-	-	36,398
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	75,463
Support services	-	351	612,906	-	-	-	-	-	1,039
Noninstructional services	-	1,866,889	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	293,717
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	32,161	-	-	-	-	-	-
Total disbursements	-	1,867,240	645,067	-	-	-	-	-	370,219
Excess (deficiency) of receipts over disbursements	-	164,310	59,528	-	432	9,078	-	-	(333,821)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	23,976	32,161	-	-	-	-	-	-
Transfers out	-	(22,000)	-	-	-	-	-	-	(187,951)
Total other financing sources (uses)	-	1,976	32,161	-	-	-	-	-	(187,951)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	166,286	91,689	-	432	9,078	-	-	(521,772)
Cash and investments - ending	\$ 2,058	\$ 461,117	\$ 474,092	\$ 1,258,457	\$ 16,668	\$ 9,078	\$ 38,000	\$ 39	\$ 103,942

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

	New Hope Disaster Relief Fund	Communities in Schools Clark County Donation	PNC Library Donation	Community Foundation of Southern Indiana Grant	SCPS PTO Donation	Title III LEP Materials Fund	Scholarships and Awards	SCMS Athletic Fund	Community Foundation Grant
Cash and investments - beginning	\$ 14,949	\$ -	\$ 2,500	\$ 3,300	\$ -	\$ 2,640	\$ -	\$ 506	\$ -
Receipts:									
Local sources	-	800	-	1,300	-	-	120	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>800</u>	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	-	-	-	3,207	-	-	-	-	-
Support services	14,949	-	2,472	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	820	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>14,949</u>	<u>-</u>	<u>2,472</u>	<u>4,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(14,949)</u>	<u>800</u>	<u>(2,472)</u>	<u>(2,727)</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(14,949)</u>	<u>800</u>	<u>(2,472)</u>	<u>(2,727)</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 28</u>	<u>\$ 573</u>	<u>\$ -</u>	<u>\$ 2,640</u>	<u>\$ 120</u>	<u>\$ 506</u>	<u>\$ -</u>

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

	SCPS PTO Donations	WHAS Crusade for Children	BHS Contributions/ Donations	Fund for the Arts	Indiana Next Grant	Community Foundation Grant	AM Library- Beyond Words Grant	SCHS Contributions/ Donations	SCMS Contributions/ Donations
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 405	\$ 1,350	\$ 17	\$ 60	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	22,163	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	22,163	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	1,012	-	-	-	-	-	-	-
Support services	-	-	-	-	-	17	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	22,163	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	23,175	-	-	-	17	-	-	-
Excess (deficiency) of receipts over disbursements	-	(1,012)	-	-	-	(17)	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,012)	-	-	-	(17)	-	-	-
Cash and investments - ending	\$ -	\$ (1,012)	\$ -	\$ 405	\$ 1,350	\$ -	\$ 60	\$ -	\$ -

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

	McDonald Grant Award	Borden Ministerial Association Grant	High Ability Grant	Common School Loan	Medicaid Reimbursement	Scholarship Fund-SCHS	Non-English Speaking Programs P.L. 273-1999	School Technology Fund	HSTW 2003 Salaries
Cash and investments - beginning	\$ 178	\$ 3,134	\$ 8,714	\$ 40,354	\$ 16,276	\$ 13,806	\$ -	\$ 21,926	\$ 497
Receipts:									
Local sources	-	-	-	-	-	6	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	43,910	-	71,443	-	7,634	7,620	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	650,157	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	43,910	650,157	71,443	6	7,634	7,620	-
Disbursements:									
Instruction	-	679	43,588	-	-	-	7,634	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	690,511	-	-	-	23,797	-
Debt services	-	-	-	-	3,003	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,000	-	-	-
Total disbursements	-	679	43,588	690,511	3,003	1,000	7,634	23,797	-
Excess (deficiency) of receipts over disbursements	-	(679)	322	(40,354)	68,440	(994)	-	(16,177)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(39,025)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(39,025)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(679)	322	(40,354)	29,415	(994)	-	(16,177)	-
Cash and investments - ending	\$ 178	\$ 2,455	\$ 9,036	\$ -	\$ 45,691	\$ 12,812	\$ -	\$ 5,749	\$ 497

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

	Title I Title I	Title I Part D	Title I FY 12, FY 13	Serve America	Spec Ed Part B 611 FY 12	Spec Ed Part B 611	Technical Assistance Grant	Federal Assistance Educational Preschool Handicapped	HSTW- 2004
Cash and investments - beginning	\$ (90,941)	\$ -	\$ -	\$ 2,836	\$ (156,642)	\$ -	\$ -	\$ (24,495)	\$ 1,193
Receipts:									
Local sources	-	-	-	-	-	-	974	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	234,073	207,021	10,215	24,495	-
Federal sources	343,863	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	343,863	-	-	-	234,073	207,021	11,189	24,495	-
Disbursements:									
Instruction	175,341	5,096	(552)	-	77,831	270,061	12,190	53,347	-
Support services	128,566	-	585	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	17,799	-	-	-	-	-	-	-	-
Total disbursements	321,706	5,096	33	-	77,831	270,061	12,190	53,347	-
Excess (deficiency) of receipts over disbursements	22,157	(5,096)	(33)	-	156,242	(63,040)	(1,001)	(28,852)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	(833)	-	-	-	-	-	-
Transfers out	833	-	-	-	-	-	-	-	-
Total other financing sources (uses)	833	-	(833)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,990	(5,096)	(866)	-	156,242	(63,040)	(1,001)	(28,852)	-
Cash and investments - ending	\$ (67,951)	\$ (5,096)	\$ (866)	\$ 2,836	\$ (400)	\$ (63,040)	\$ (1,001)	\$ (53,347)	\$ 1,193

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

	Medicaid Reimbursement - Federal	Educating America, Title III	Improving Teaching Quality, No Child Left, Title II, Part A	Regional Library Grant	Title III - Language Instruction	Technology Literacy Challenge, Title III	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ 16,383	\$ 1,000	\$ (23,992)	\$ 4	\$ (2,570)	\$ 27	\$ 11,673	\$ 180,444	\$ 18,837,441
Receipts:									
Local sources	-	-	-	-	-	-	-	-	15,595,744
Intermediate sources	-	-	-	-	-	-	-	-	455
State sources	-	-	-	-	12,012	-	-	-	28,202,356
Federal sources	35,807	-	82,507	-	-	-	-	-	1,398,386
Temporary loans	-	-	-	-	-	-	-	-	650,157
Other receipts	-	-	-	-	-	-	1,016,918	7,545,546	10,084,900
Total receipts	35,807	-	82,507	-	12,012	-	1,016,918	7,545,546	55,931,998
Disbursements:									
Instruction	571	-	56,737	-	9,535	-	-	-	20,596,665
Support services	7,762	-	8,337	-	-	-	-	-	11,761,827
Noninstructional services	-	-	-	-	-	-	-	-	2,127,334
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,440,809
Debt services	-	-	-	-	-	-	-	-	8,150,969
Nonprogrammed charges	-	-	5,435	-	-	-	1,023,702	7,708,578	8,788,675
Total disbursements	8,333	-	70,509	-	9,535	-	1,023,702	7,708,578	53,866,279
Excess (deficiency) of receipts over disbursements	27,474	-	11,998	-	2,477	-	(6,784)	(163,032)	2,065,719
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	2,110
Transfers in	21,422	-	-	-	-	-	-	-	416,417
Transfers out	-	-	-	-	-	-	-	-	(416,417)
Total other financing sources (uses)	21,422	-	-	-	-	-	-	-	2,110
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,896	-	11,998	-	2,477	-	(6,784)	(163,032)	2,067,829
Cash and investments - ending	\$ 65,279	\$ 1,000	\$ (11,994)	\$ 4	\$ (93)	\$ 27	\$ 4,889	\$ 17,412	\$ 20,905,270

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 8,811,408	\$ 4,299,773	\$ 45,674	\$ 1,648,177	\$ 1,051,100	\$ 812,032	\$ 1,003,770	\$ 850,870	\$ 48,275
Receipts:									
Local sources	572,848	7,886,180	649,588	3,042,824	2,170,420	258,025	-	260	-
Intermediate sources	9	-	-	-	-	-	-	-	-
State sources	28,049,770	-	-	-	-	-	-	-	-
Federal sources	8,486	-	-	-	252	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	2,185	-	-	-	1,551	-	-	-	-
Total receipts	28,633,298	7,886,180	649,588	3,042,824	2,172,223	258,025	-	260	-
Disbursements:									
Instruction	20,472,158	-	-	-	-	-	-	106,816	-
Support services	7,216,888	-	-	1,371,698	2,396,123	695,498	-	60,021	-
Noninstructional services	127,480	-	-	-	-	-	-	3,212	-
Facilities acquisition and construction	11,300	-	-	1,365,175	-	-	-	-	-
Debt services	-	7,573,210	627,421	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	27,827,826	7,573,210	627,421	2,736,873	2,396,123	695,498	-	170,049	-
Excess (deficiency) of receipts over disbursements	805,472	312,970	22,167	305,951	(223,900)	(437,473)	-	(169,789)	-
Other financing sources (uses):									
Sale of capital assets	1,480	-	-	-	-	-	-	-	-
Transfers in	63,029	-	-	-	-	-	-	-	-
Transfers out	-	(37,027)	-	-	-	-	-	-	-
Total other financing sources (uses)	64,509	(37,027)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	869,981	275,943	22,167	305,951	(223,900)	(437,473)	-	(169,789)	-
Cash and investments - ending	\$ 9,681,389	\$ 4,575,716	\$ 67,841	\$ 1,954,128	\$ 827,200	\$ 374,559	\$ 1,003,770	\$ 681,081	\$ 48,275

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

	Disaster Grant	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Indiana Literacy Early Intervention	Henryville Tornado Fund
Cash and investments - beginning	\$ 2,058	\$ 461,117	\$ 474,092	\$ 1,258,457	\$ 16,668	\$ 9,078	\$ 38,000	\$ 39	\$ 103,942
Receipts:									
Local sources	-	1,090,644	451,865	-	-	-	-	-	-
Intermediate sources	-	-	-	-	318	-	-	-	-
State sources	-	24,008	327,180	-	-	19,986	10,000	-	-
Federal sources	-	939,348	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	427	-	-	-	-	-	-	-
Total receipts	-	2,054,427	779,045	-	318	19,986	10,000	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	9,484	-	-
Support services	-	1,059	854,094	-	-	-	-	-	-
Noninstructional services	-	2,147,843	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	49,888
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	24,046	-	-	-	-	-	-	-
Total disbursements	-	2,172,948	854,094	-	-	-	9,484	-	49,888
Excess (deficiency) of receipts over disbursements	-	(118,521)	(75,049)	-	318	19,986	516	-	(49,888)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	37,027	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	37,027	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(118,521)	(38,022)	-	318	19,986	516	-	(49,888)
Cash and investments - ending	\$ 2,058	\$ 342,596	\$ 436,070	\$ 1,258,457	\$ 16,986	\$ 29,064	\$ 38,516	\$ 39	\$ 54,054

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

	New Hope Disaster Relief Fund	Communities in Schools Clark County Donation	PNC Library Donation	Community Foundation of Southern Indiana Grant	SCPS PTO Donation	Title III LEP Materials Fund	Scholarships and Awards	SCMS Athletic Fund	Community Foundation Grant
Cash and investments - beginning	\$ -	\$ 800	\$ 28	\$ 573	\$ -	\$ 2,640	\$ 120	\$ 506	\$ -
Receipts:									
Local sources	-	-	-	500	1,527	-	120	-	4,250
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	500	1,527	-	120	-	4,250
Disbursements:									
Instruction	-	-	-	392	627	366	-	-	4,041
Support services	-	-	-	-	-	-	120	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	392	627	366	120	-	4,041
Excess (deficiency) of receipts over disbursements	-	-	-	108	900	(366)	-	-	209
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	108	900	(366)	-	-	209
Cash and investments - ending	\$ -	\$ 800	\$ 28	\$ 681	\$ 900	\$ 2,274	\$ 120	\$ 506	\$ 209

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

	SCPS PTO Donations	WHAS Crusade for Children	BHS Contributions/ Donations	Fund for the Arts	Indiana Next Grant	Community Foundation Grant	AM Library- Beyond Words Grant	SCHS Contributions/ Donations	SCMS Contributions/ Donations
Cash and investments - beginning	\$ -	\$ (1,012)	\$ -	\$ 405	\$ 1,350	\$ -	\$ 60	\$ -	\$ -
Receipts:									
Local sources	3,843	-	-	-	-	-	-	500	1,500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	27,976	400	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,843</u>	<u>27,976</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>1,500</u>
Disbursements:									
Instruction	1,951	30,287	-	-	-	-	-	500	1,500
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,951</u>	<u>30,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>1,500</u>
Excess (deficiency) of receipts over disbursements	<u>1,892</u>	<u>(2,311)</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,892</u>	<u>(2,311)</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,892</u>	<u>\$ (3,323)</u>	<u>\$ 400</u>	<u>\$ 405</u>	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>

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

	McDonald Grant Award	Borden Ministerial Association Grant	High Ability Grant	Common School Loan	Medicaid Reimbursement	Scholarship Fund-SCHS	Non-English Speaking Programs P.L. 273-1999	School Technology Fund	HSTW 2003 Salaries
Cash and investments - beginning	\$ 178	\$ 2,455	\$ 9,036	\$ -	\$ 45,691	\$ 12,812	\$ -	\$ 5,749	\$ 497
Receipts:									
Local sources	-	-	229	300	-	6	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	45,690	-	85,273	-	10,718	7,845	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	440,322	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	45,919	440,622	85,273	6	10,718	7,845	-
Disbursements:									
Instruction	-	299	44,303	7,927	-	-	10,718	-	-
Support services	-	-	-	-	323	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	647,784	-	-	-	-	-
Debt services	-	-	-	-	29,237	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,000	-	-	-
Total disbursements	-	299	44,303	655,711	29,560	1,000	10,718	-	-
Excess (deficiency) of receipts over disbursements	-	(299)	1,616	(215,089)	55,713	(994)	-	7,845	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(63,029)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(63,029)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(299)	1,616	(215,089)	(7,316)	(994)	-	7,845	-
Cash and investments - ending	\$ 178	\$ 2,156	\$ 10,652	\$ (215,089)	\$ 38,375	\$ 11,818	\$ -	\$ 13,594	\$ 497

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

	Title I Title I	Title I Part D	Title I FY 12, FY 13	Serve America	Spec Ed Part B 611 FY 12	Spec Ed Part B 611	Technical Assistance Grant	Federal Assistance Educational Preschool Handicapped	HSTW- 2004
Cash and investments - beginning	\$ (67,951)	\$ (5,096)	\$ (866)	\$ 2,836	\$ (400)	\$ (63,040)	\$ (1,001)	\$ (53,347)	\$ 1,193
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	323,330	-	47,667	-
Federal sources	388,105	11,179	-	-	-	41,938	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	388,105	11,179	-	-	-	365,268	-	47,667	-
Disbursements:									
Instruction	258,130	4,011	-	-	(400)	384,948	9,253	(2,706)	-
Support services	139,584	2,935	(866)	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	15,571	-	-	-	-	-	-	-	-
Total disbursements	413,285	6,946	(866)	-	(400)	384,948	9,253	(2,706)	-
Excess (deficiency) of receipts over disbursements	(25,180)	4,233	866	-	400	(19,680)	(9,253)	50,373	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,180)	4,233	866	-	400	(19,680)	(9,253)	50,373	-
Cash and investments - ending	\$ (93,131)	\$ (863)	\$ -	\$ 2,836	\$ -	\$ (82,720)	\$ (10,254)	\$ (2,974)	\$ 1,193

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

	Medicaid Reimbursement - Federal	Educating America, Title III	Improving Teaching Quality, No Child Left, Title II, Part A	Regional Library Grant	Title III - Language Instruction	Technology Literacy Challenge, Title III	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ 65,279	\$ 1,000	\$ (11,994)	\$ 4	\$ (93)	\$ 27	\$ 4,889	\$ 17,412	\$ 20,905,270
Receipts:									
Local sources	-	-	-	-	-	-	-	-	16,135,429
Intermediate sources	-	-	-	-	-	-	-	-	327
State sources	-	-	-	-	13,919	-	-	-	28,993,762
Federal sources	31,273	-	65,239	-	-	-	-	-	1,485,820
Temporary loans	-	-	-	-	-	-	-	-	440,322
Other receipts	-	-	-	-	-	-	1,091,647	7,762,367	8,858,177
Total receipts	31,273	-	65,239	-	13,919	-	1,091,647	7,762,367	55,913,837
Disbursements:									
Instruction	40,692	-	62,893	-	19,803	-	-	-	21,467,993
Support services	6,569	-	27,065	-	-	-	-	-	12,771,111
Noninstructional services	-	-	-	-	-	-	-	-	2,278,535
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,074,147
Debt services	-	-	-	-	-	-	-	-	8,229,868
Nonprogrammed charges	-	-	4,380	-	-	-	1,024,236	7,747,892	8,817,125
Total disbursements	47,261	-	94,338	-	19,803	-	1,024,236	7,747,892	55,638,779
Excess (deficiency) of receipts over disbursements	(15,988)	-	(29,099)	-	(5,884)	-	67,411	14,475	275,058
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	1,480
Transfers in	-	-	-	-	-	-	-	-	100,056
Transfers out	-	-	-	-	-	-	-	-	(100,056)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,480
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,988)	-	(29,099)	-	(5,884)	-	67,411	14,475	276,538
Cash and investments - ending	\$ 49,291	\$ 1,000	\$ (41,093)	\$ 4	\$ (5,977)	\$ 27	\$ 72,300	\$ 31,887	\$ 21,181,808

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF LEASES AND DEBT  
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
West Clark 2000 Building Corporation	School Construction 2005 and 2007	\$ 6,806,000	7/5/2008	1/5/2033
Total of annual lease payments		<u>\$ 6,806,000</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	2007 Pension Bonds		\$ 3,315,000	\$ 606,019
Notes and loans payable	Common School Loan Improvements		<u>2,226,460</u>	<u>770,774</u>
Totals			<u>\$ 5,541,460</u>	<u>\$ 1,376,793</u>

WEST CLARK COMMUNITY SCHOOLS  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 1,801,741
Buildings	91,994,131
Improvements other than buildings	242,663
Machinery, equipment, and vehicles	22,808,688
Books and other	371,514
Total capital assets	\$ 117,218,737

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 WEST CLARK COMMUNITY SCHOOLS, CLARK COUNTY, INDIANA

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003, 2015-004, 2015-005, and 2015-007. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, and 2015-008 to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<b>Department of Agriculture</b>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast			FY 13-14	\$ 179,885	\$ -
School Breakfast			FY 14-15	-	183,239
Total - School Breakfast Program				<u>179,885</u>	<u>183,239</u>
National School Lunch Program					
School Lunch	Indiana Department of Education	10.555			
School Lunch			FY 13-14	752,809	-
School Lunch - Commodities			FY 14-15	-	756,109
School Lunch - Commodities			FY 13-14	112,956	-
School Lunch - Commodities			FY 14-15	-	121,447
Total - National School Lunch Program				<u>865,765</u>	<u>877,556</u>
Total - Child Nutrition Cluster				<u>1,045,650</u>	<u>1,060,795</u>
Total - Department of Agriculture				<u>1,045,650</u>	<u>1,060,795</u>
<b>Department of Education</b>					
Special Education Cluster (IDEA)					
Special Education_Grants to States					
FY 2012 Fed Part B 611 Grant	Indiana Department of Education	84.027	14212-022-PN01	64,185	-
FY 2013 Fed Part B 611 Grant			14213-022-PN01	400,304	19,441
FY 2014 Fed Part B 611 Grant			14214-022-PN01	422,456	410,472
FY 2015 Fed Part B 611 Grant			14215-022-PN01	-	443,028
Part B, Technical Assistance Grant			99914-022-PN01	<u>8,652</u>	<u>2,172</u>
Total - Special Education_Grants to States				<u>895,597</u>	<u>875,113</u>
Special Education_Preschool Grants					
FY 2012 Fed Part B 619 Grant	Indiana Department of Education	84.173	45712-022-PN01	7,272	-
FY 2013 Fed Part B 619 Grant			45713-022-PN01	18,471	3,536
FY 2014 Fed Part B 619 Grant			45714-022-PN01	4,970	24,447
FY 2015 Fed Part B 619 Grant			45715-022-PN01	-	6,019
Total - Special Education_Preschool Grants				<u>30,713</u>	<u>34,002</u>
Total - Special Education Cluster (IDEA)				<u>926,310</u>	<u>909,115</u>

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

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I Part A			13-0940	182,364	-
Title I Part A			14-0940	161,499	177,749
Title I Part A			15-0940	-	210,355
Title I Part D			14-0940	-	9,390
Title I Part D			15-0940	-	1,789
Total - Title I Grants to Local Educational Agencies				343,863	399,283
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III			01113-008-PN01	12,012	-
Title III			01113-307-PN01	-	321
Title III			01114-090-PN01	-	10,490
Title III			01115-010-PN01	-	3,108
Total - English Language Acquisition State Grants				12,012	13,919
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II-A			FFY 11	9,368	-
Title II-A			FFY 12	32,954	13,222
Title II-A			FFY 13	40,185	38,590
Title II-A			FFY 14	-	13,427
Total - Improving Teacher Quality State Grants				82,507	65,239
Total - Department of Education				1,364,692	1,387,556
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA Disaster Relief	Indiana Department of Homeland Security	97.036	019-01F62-000	-	8,486
Total - Department of Homeland Security				-	8,486
Total federal awards expended				\$ 2,410,342	\$ 2,456,837

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

WEST CLARK COMMUNITY SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

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

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-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. Clark County Special Education Co-op**

The School Corporation is a member of a Special Education Cooperative. The Special Education Cooperative operates the Special Education Programs 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.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) 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
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**Section II - Financial Statement Findings**

**FINDING 2015-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-001.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation prepared and submitted the SEFA without effective controls to ensure its accuracy before submission.

*Context*

The SEFA contained the following errors:

1. The federal expenditures were incorrectly reported resulting in an understatement of \$449,533 for the 2013-2014 school year, and \$504,665 for the 2014-2015 school year.
2. Not all CFDA numbers, program names, grants, pass-through entities, or pass-through identifying numbers were correct or listed.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*Cause*

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

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

*Recommendation*

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

*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 Financial Transactions  
Audit Finding: Material Weakness

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-002.

*Condition*

There were several deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not separated incompatible activities related to financial transactions in order to ensure all activity was properly posted throughout the accounting application system. The Deputy Treasurer was responsible for writing vendor checks, recording vendor checks in the ledger, entering adjustment/correction transactions to the ledger, and reconciling ledger reports within the accounting application system.

*Context*

The deficiencies in the internal control system were present throughout the audit period.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal control related to financial transactions.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish and implement controls, including segregation of duties, over financial transactions.

*Views of Responsible Officials*

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

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

**FINDING 2015-003**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
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): FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-012.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation entered into a covered transaction with a vendor without ensuring that the vendor had not been suspended or debarred from doing business with the federal government.

*Context*

Evidence was not presented for two of the three contracts tested that the School Corporation verified that the vendor had not been suspended or debarred from doing business with the Federal Government.

*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. . . ."

WEST CLARK COMMUNITY SCHOOLS  
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 had not developed an effective system of internal controls that would have ensured the Procurement and Suspension and Debarment compliance requirement was met.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected which 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's management establish and implement controls related to the grant agreement and the 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 2015-004***

Subject: Child Nutrition Cluster - 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): FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-014.

WEST CLARK COMMUNITY SCHOOLS  
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 requirements related to the grant agreement and the Eligibility compliance requirement.

The Food Service Director was the sole person responsible for determining eligibility of applications filed. An oversight or review process or other compensating control had not been established.

*Context*

A review of 60 students receiving free and reduced price meals identified the following problems with the eligibility for 7 of the students:

1. Five applications could not be located and were not presented for audit.
2. One application that was determined to be eligible for reduced price lunches did not include income information.
3. One application was incorrectly determined to be eligible for free lunch when the income information on the application only qualified for reduced price lunches.

*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. . . ."

7 CFR 245.6(e) states in part: "*Recordkeeping*. The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain . . ."

7 CFR 245.6a(f)(2) states in part:

"*Documentation timeframe*. . . . The documentation must indicate the source, amount and frequency of all income and can be for any point in time between the month prior to application for school meal benefits and the time the household is requested to provide income documentation."

*Cause*

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

*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.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2015-005**

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): FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-016.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Special Tests and Provisions - Paid Lunch Equity.

*Context*

The weighted average lunch meal price required to be charged for the school year 2013-2014 was \$2.45 and the actual weighted average amount charged was \$2.37. The School Corporation did not present for audit any evidence that the required paid lunch equity or their weighted average price calculations were completed for the school year 2014-2015.

*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. . . ."

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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. . . ."

*Cause*

Management had not developed an effective system of internal controls that would have ensured that the Special Tests and Provisions - Paid Lunch Equity compliance requirement was met.

*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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2015-006***

Subject: Internal Controls over Child Nutrition Cluster  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Program Income, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts  
Audit Finding: Material Weakness

*Repeat Finding*

This is not a repeat finding from the immediate prior year.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Program Income, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - School Food Accounts.

*Cash Management*

The School Corporation did not have effective procedures in place to ensure that the food service account balance did not exceed the three months average expenditures.

*Program Income*

Proper controls were not in place during the audit period to ensure that program income was properly accounted for in the financial records. There was a lack of segregation of duties and weaknesses in controls over the collection of monies at the cafeteria related to the sale of meals and the collection of funds on prepaid accounts. One person (cafeteria manager at each school) was responsible for recording of the monies collected, preparation of the deposit ticket, depositing the money, and making adjustment to student meal accounts.

*Reporting*

The Food Service Director submitted the Sponsor Claim (claims for reimbursement) with information obtained from reports generated monthly from the cafeteria software. There was no information presented for audit that these reports or the Sponsor Claim (claims for reimbursement) were reviewed by anyone other than the Food Service Director or had other compensating controls.

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

The Food Service Director determined eligibility for free and reduced lunches and was also responsible for verification of these applications. There was no evidence of compensating controls or reviewed or approved by anyone other than the Food Service Director.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Special Tests and Provisions - School Food Accounts*

Proper controls were not in place related to the school food accounts. There was no evidence presented for audit that the prepaid meal control account was being reconciled with the subsidiary student meal account records to ensure that all financial activity flowing through the subsidiary student records were being recorded in the financial statement.

*Context*

Internal control issues were present throughout 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 that included segregating key functions.

*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 grant agreement and 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.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2015-007***

Subject: Title I Grants to Local Educations Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 13-0940, 14-0940, 15-0940  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is not a repeat finding from the immediate prior year.

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

The School Corporation had not established adequate controls to ensure that supporting documentation as to the reason for a student's removal from the cohort was retained for audit.

*Context*

Supporting documentation to support the reason for the student's removal from the cohort for 15 of the 25 students was not presented for audit.

*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 80.42(e) states:

"Access to records-(1) *Records of grantees and subgrantees.* The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts."

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

34 CFR 200.19(b)(ii)(B) states:

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

- (1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.
- (2) A student who is retained in grade, enrolls in a General Educational Development (GED) program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort."

*Cause*

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

*Effect*

The failure to establish internal controls 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 questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2015-008**

Subject: Internal Controls over Title I Grants to Local Educational Agencies

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-0940, 14-0940, 15-0940

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles, Cash Management, Period  
of Availability of Federal Funds, Reporting, Eligibility

Audit Finding: Material Weakness

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is not a repeat finding from the immediate prior year.

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirements: Allowable Costs/Cost Principles, Cash Management, Period of Availability of Federal Funds, Reporting, and Eligibility.

*Allowable Costs/Cost Principles, Cash Management,  
Period of Availability of Federal Funds, and Reporting*

Evidence was not presented to indicate sufficient supporting documentation was reviewed for expenditures charged to the program and requested for reimbursement, in order to ensure compliance with the Allowable Costs, Cash Management, Period of Availability, and Reporting compliance requirements.

Reimbursement requests presented for audit were supported only by year to date expenditure reports attached to the requests. Upon request, the detail expenditure report for the reimbursement request period were obtained for the five reimbursement requests that were tested. Three out of the five detail expenditure reports contained large numbers of adjusting entries. These adjusting entries consisted primarily of reversals of charges incorrectly made to the program, including charges that were made after the period of availability. Without a detail expenditure report for the reimbursement period and supporting documentation for the adjustments, the designated reviewer of the requests would not have been able to ensure the amounts requested for reimbursement were for allowable costs, expenses incurred prior to the reimbursement request, costs incurred during the period of availability, or that the reimbursement reports were accurate.

*Eligibility*

The School Corporation had not established effective controls over the electronic application process.

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the enrollment and poverty data for both public and nonpublic schools reported in the grant applications were accurate. There was no segregation of duties, such as an oversight, review, or approval process or other compensating controls. As a result, the records provided by the School Corporation for the public enrollment and public poverty data did not agree with the Eligible School Summary Reports in the Title I grant applications for the 2014 and 2015 grants.

*Context*

The lack of properly designed or implemented internal controls over the compliance requirements listed above was evident for all awards during both years of the audit period.

WEST CLARK COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system 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 program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

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#### AUDITEE-PREPARED DOCUMENTS

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

**SCHOOL BOARD**

JOE BASHAM  
President  
BRIAN HURST  
Vice-President  
DOUGLAS COFFMAN  
Secretary  
BRIAN GUERNSEY  
Member  
CRYSTAL GUNTHER  
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**ADMINISTRATION**

CHAD SCHENCK  
Superintendent  
R. MAC DYER  
Associate Superintendent  
DR. JOHN REED  
Assistant Superintendent  
THOMAS BRILLHART  
Assistant Superintendent

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS****FINDING 2013-004** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director

Contact Phone Number: 812-246-3375

**Status of Audit Finding: Internal Controls over Compliance and Requirements**

West Clark Community Schools hired a Title I Director (November 2013). The Director has established an effective internal control system related to the grant agreement, as well as compliance components that have been and still are enforced in all designated Title I schools.

*Internal Controls:*

- ***Once the budget is fully executed by the IDOE, the Deputy Treasurer will move all appropriate expenditures to the Title I Fund via adjustments, prepared on the A/P Voucher and approved by the Title I Director, Treasurer and Associate Superintendent. The Title I budget will be monitored and reconciled between the Title I Director and Deputy Treasurer every two weeks to coincide with payroll dates to reduce the number of adjustments entries. The Associate Superintendent/ Treasurer will approve all reconciliations. These procedures will be completed by the end of the 2017-2018 school year.***
- ***Eligibility reports will be submitted to IDOE on the last date of the reporting period set for the Indiana Department of Education. Once the report is submitted a copy will be printed out and kept in the Office of the Assistant Superintendent of Instruction. The person in charge to submit the report will contact IDOE to ensure the count is verified and that numbers are the same.***

*Compliance:*

Based on the exit meeting from the 2013 audit it was recommended to put in place the items below listed to ensure that compliance documentation and internal controls processes and procedures were followed according to OMB Circular A-87: Costs must be reasonable for proper and efficient performance and administration of Federal awards. Be allocable and authorized or not prohibited under State or local laws and regulations.

- Title I Handbook (WCCS Website – Title I Program) – ***Resolved – 2014.***
- Title I Compliance Forms ( WCCS Website – Forms) – ***Resolved - 2014***
- Title I schools maintain a Title I Compliance binder with all Title I Components - ***Resolved and Title I Binders are still used every year for compliance – 2013***
- Title I staff follows job descriptions (Title I Instructional Coaches and TA's) ***Resolved 2014.***

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- Title I purchases and reimbursements are approved by Associate Superintendent and Title I - Director. Signatures must be collected before any Title I capital outlay. **Resolved - 2014.**
- Grant approval and amendments by IDOE must be done before any reimbursement is processed **Resolved – 2014. No expenditures are paid until Title I Application is approved**
- Grant detailed budget provided by Deputy Treasurer to ensure appropriate line item allocation. **Resolved 2014 .Title I Director also meets quarterly to ensure funds are place in the right line item.**
- Meetings with Deputy Treasurer to ensure expenditures related to the grant are in compliance. **Resolved 2014.**
- 
- 

**FINDING 2013-005**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director

Contact Phone Number: 812-246-3375

Status of Audit Finding: **Allowable Cost and Allowable Activities**

West Clark Community Schools – Title I Director discusses spending Title I funds with the District Officials and School Principals considering the three fiscal principals that must be in place before Title I funds are granted. Those conditions are as follows:

- Semi-annual certification is provided by Title I Director to all Title I Principals and verified by Administrators with their signatures. **Resolved - 2014**
- Time and Effort Logs are turned in to the Title I Director on a monthly basis. **Resolved**
- Cost charge to the program grant related to salaries is based on Title I personnel chart provided to Payroll Department.
- Adjustments and revenue/expenditure entries are done when IDOE approves budget availability by fully executing the grant. ***Once the budget is fully executed by the IDOE, the Deputy Treasurer will move all appropriate expenditures to the Title I Fund via adjustments, prepared on the A/P Voucher and approved by the Title I Director, Treasurer and Associate Superintendent. The Title I budget will be monitored and reconciled between the Title I Director and Deputy Treasurer every two weeks to coincide with payroll dates to reduce the number of adjustments entries. The Associate Superintendent/ Treasurer will approve all reconciliations. These procedures will be completed by the end of the 2017-2018 school year.***
- All expenditures related to the program are recorded in the grant budget and approved by the Title I Director – **Resolved 2014**

**FINDING 2013-006**

Status of Audit Finding: **Equipment and Real Property Management**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director

Contact Phone Number: 812-246-3375

West Clark Community Schools has established the following process:

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- Any equipment purchased with Title I funds will support the program(s) for which it was acquired. Equipment can also be used to support other federally funded programs IF such use does not interfere with the work on the program for which it was originally acquired. **Resolved- 2014.**
- The School Corporation/Title I Office will determine and evaluate the need and cost of the equipment to be purchased ( Is the equipment necessary, cost effective and allowable)
- Any purchased equipment will be inventoried before distribution and there will be a person responsible (Principal/Teacher) at the assigned school. A tracking memo will be provided for signatures. **Resolved – 2014.**
- At the end of the year the School Principal will turn in the Title I inventory. The inventory will indicate the material/equipment, quantity, location and condition of the equipment. **YES. Resolved 2014.**
- If disposition of the equipment is needed, the school corporation will follow the state disposition process. **WCCS follows the State Disposition form. We have not disposed any equipment since 2014.**

***All the steps above mentioned have been resolved and we follow guidelines from E.D.G.A.R.***

***FINDING 2013-007***

Status of Audit Finding: **Special Tests and Provisions – Comparability**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director

Contact Phone Number: 812-246-3375

All records and information to demonstrate comparability are kept at the District Level in the Title I Office. IDOE requested and Approved WCCS Comparability Report on October 7 of 2015 – IDOE Linda Cummins – Grants Management, Monitoring and Reporting approved our Comparability Report.

***Resolved. Comparability reports have been sent to IDOE each year a copy is kept in the Title I Application binder each year.***

***FINDING 2013-008***

Status of Audit Finding: **Private School Participation**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director

Contact Phone Number: 812-246-3375

Private School allocation is shared with Private School Principal. There is also communication to set up their budget and to determine their needs. Private School set aside has been utilized to support instructional services with a tutor. The tutor is contracted by WCCS and performs tutoring services to Title I identified, at-risk students at the Private School. Attendance records, letters, and time sheets are submitted for internal control to the Title I Office.

***Resolved. It is also on going. Title I office maintains on-going communication with the Private School Principal and Tutor. There is also a binder with documentation to track services provided***

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**for Title I eligible students kept in the Title I Office. Resolved second semester of 2013-2014 school year.**

**FINDING 2013-009**

Status of Audit Finding: **Eligibility**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director

Contact Phone Number: 812-246-3375

Each Title I School maintains and completes a form named "Selection Criteria for Services" ... this form is provided by IDOE. The form is submitted to the Title I Office at the BOY, MOY and EOY in order to ensure services to our most at-risk students. Records are kept in the school's Title I Compliance Binder and at the Title I Office as well.

**Resolved 2014.**

**FINDING 2013-010**

Status of Audit Finding: **Special Test and Provisions – HQ Qualified Teachers and Paraprofessionals**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Clemen Pérez-Lloyd - Title I Director


Contact Phone Number: 812-246-3375

The school corporation verifies the candidate HQ status before an individual is assigned to a Title I School. If a non- HQ is placed in a Title I School, parents will be notified with a letter and the school corporation will either continue to look for a HQ replacements or will provide the test (Test site for TA's) to become HQ if that is the only requirement missing.

**Resolved. 2014**

**The district has also provided with school sites to take the para-pro test. (HES and SCPS).**

  
(Signature)

  
(Title)

  
(Date)

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Superintendent  
R. MAC DYER  
Associate Superintendent  
DR. JOHN REED  
Assistant Superintendent  
THOMAS BRILLHART  
Assistant Superintendent

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2013-011**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture  
Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer  
Contact Phone Number: 812-246-3375

Status of Audit Finding: **ALLOWABLE COSTS AND ALLOWABLE ACTIVITIES**

The following procedures were implemented to verify delivery of goods, accuracy of invoices and verification of pricing with vendor:

- Verification of delivery and condition of product was attached (when available, otherwise confirmed with signature of receiver) with the invoice from the individual that received the product before payment could be made.
- Accounts Payable voucher was modified to require food service director to sign off to verify the receipt and condition of the product. Complete invoice copies were obtained and the food service director signed off on the accounts payable voucher to this fact.
- Accounts Payable voucher was modified to require the food service director to separately verify that established pricing was invoiced.

The above-mentioned procedures were put into practice during the latter part of the 2014-2015 school year. During the 2016-2017 school year the school district engaged a food service management company with the responsibility of purchasing food items for the school corporation food service. The school district has fully complied with Finding 2013-011 as of the 2016-2017 school year.

**FINDING 2013-012**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture  
Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer  
Contact Phone Number: 812-246-3375

**MISSION STATEMENT**

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Status of Audit Finding: **PROCUREMENT, SUSPENSION AND DEBARMENT**

No documentation was found in the records of the cafeteria for the audit period 2013-2015 certifying that a vendor used by the cafeteria had not been suspended or debarred from participating in a federal program. The school district acquired most of the required certificates for Suspension and Debarment for the 2013-2015 school years. During the school year 2016-2017 the school district engaged a food service management company to manage the food service. Part of their responsibility is to insure the vendors that provide product for the food service certify that they have the required certificates for Suspension and Debarment. The school district has fully resolved Finding 2013-012 as of the 2016-2017 school year.

**FINDING 2013-013**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture

Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer

Contact Phone Number: 812-246-3375

Status of Audit Finding: **REPORTING**

The appropriate individuals in the food service and accounting department understand that ala carte sales, meals catered outside the school organization, etc. are considered "other food service sales". Controls were established to have the treasurer or deputy treasurer review all deposits received by the food service director to verify the correct classification prior to booking the sales. The school district complied fully with this part of the finding during the 2014-2015 school year.

The food service director provided to the central office the documentation for category totals from the point of sales' cafeteria program prior to the food service director submitting the claim for the reimbursement. Controls were established to have the food service director complete the claim along with all supporting documents and submits the documents to the treasurer for review prior to formally submitting the claim. This part of Finding 2013-013 was partially completed during the 2014-2015 school. Additional controls were established when the Food Service Management company was hired during the 2016-2017 school year. The Food Service Management representative compiled all supporting documents, verified daily and monthly totals for claim reimbursement and sent them to the treasurer for verification and submission. This part of Finding 2013-013 was fully resolved by the end of the 2016-2017 school year.

Controls will be established to verify that the number of students qualifying for free, reduced and paid meals match the records on hand. This will be accomplished by processing applications in a timely manner and verifying the number of applications and direct certifications to the numbers within the student management system. This part of Finding 2013-013 will be fully resolved by the end of the 2017-2018 school year.

**FINDING 2013-014**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture

Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer

Contact Phone Number: 812-246-3375

Status of Audit Finding: **ELIGIBILITY**

**MISSION STATEMENT**

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The food service director was directed to maintain the free and reduced lunch applications in the appropriate manner. This includes the following:

- The applications are to be properly maintained and filed.
- All information on the application needed to be properly completed.
- Any backup material needed to be attached to the application.
- Income guidelines were to be readily available.

The aforementioned compliance controls were established in the 2014-2015 school year and only partially resolved the finding. Additional controls were needed to fully comply with Finding 2013-014. During the 2016-2017 school year an additional individual was used and trained in dealing with free and reduced applications. The additional controls established are as follows:

- Establishment of individual to handle online applications and another individual to handle paper applications.
- Establishment of each individual to cross check the other for completeness of the application.
- Establishment of set time to review direct certifications on the Food and Nutrition website and maintain copies to verify compliance.
- Required individuals reviewing any application for assistance to have the proper training in all aspects of the process.

The aforementioned controls were instituted during the 2016-2017 school year. The school district will fully resolve Finding 2013-014 by the beginning of the 2017-2018 school year.

#### **FINDING 2013-015**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture

Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer

Contact Phone Number: 812-246-3375

#### **Status of Audit Finding: PROGRAM INCOME AND SPECIAL TESTS AND PROVISIONS-SCHOOL FOOD ACCOUNTS**

To address the segregation of duties issue in regard to handling meal count collections the cafeteria managers at each school collect daily money and submit the deposit receipts and reports to the accounting clerk at central office. Reports from the school district's cafeteria software are printed by the cafeteria managers to verify each deposit. The accounting clerk prints additional reports and the deposit receipt from the bank to double check the amounts being deposited. Once confirmed, deposits are recorded by the accounting clerk into the accounting software. This issue of Finding 2013-015 was fully resolved during the 2016-2017 school year.

The prepaid meal account is still not in balance. Both the Deputy Treasurer, accounting clerk and the Treasurer have worked to develop a process to bring the prepaid meal account into balance prior to the beginning of the 2017-2018 school year. The process for maintaining a balanced prepaid account was presented to us by another school district. With the additional individual and a process to maintain the prepaid account, the school district feels that this part of the finding will be fully resolved by the end of the 2017-2018 school year.

#### **FINDING 2013-016**

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture

#### **MISSION STATEMENT**

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Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer  
Contact Phone Number: 812-246-3375

Status of Audit Finding: **SPECIAL TESTS AND PROVISIONS-PAID LUNCH EQUITY**

The food service director is to use, implement and keep on file the Paid Lunch Equity Price Calculator maintained on the Food and Nutrition site for the State of Indiana. This was instituted during the 2014-2015 school year. This finding was fully resolved in the 2016-2017 school year.

**FINDING 2013-017**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Agriculture  
Contact Person Responsible for Corrective Action: (Meg Petterson) R. Mac Dyer  
Contact Phone Number: 812-246-3375

Status of Audit Finding: **SPECIAL TESTS AND PROVISIONS-VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS**

All material involved in the verification of free and reduced lunch applications are to be maintained. An individual was hired in 2016 to work with the Treasurer in all aspects of the school district's free and reduced lunch application process. Additional training was done and continues to be done by way of webinars and local seminars offered by the Indiana Department of Education. This process was instituted during the 2016-2017 school year. This finding will be fully resolved by the 2017-2018 school year.

  
(Signature)

Superintendent

\_\_\_\_\_  
(Title)

4/27/17

\_\_\_\_\_  
(Date)

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(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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**ADMINISTRATION**

Chad Schenck, Supt. of Schools  
R. Mac Dyer, Assoc. Supt.  
Dr. John Reed, Asst. Supt.  
Thomas Brillhart, Asst. Supt.

**CORRECTIVE ACTION PLAN**

**FINDING 2015 – 001**

Contact Person Responsible for Corrective Action:  
Contact Phone Number:

R. Mac Dyer  
(812) 246-3375

Views of responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

All federal awards will be reported on the SEFA via the Annual Report in Gateway each school year by the Deputy Treasurer. Federal award folders and the CFDA website should be utilized to confirm the correct CFDA numbers and identifying award numbers are used on the SEFA. The Special Ed Cluster will include any amounts spent by the Greater Clark County Special Education Coop per their reports submitted for each school year, since they are the LEA for these grants through June 30, 2017. School Lunch Commodities are to be included on the SEFA under the Federal Non Cash Assistance column. All federal award folders will be given to the Associate Superintendent/Treasurer for verification before the SEFA is submitted for final approval in Gateway.

Anticipated Completion Date:

This Finding will be completed by the end of the 2017-2018 school year.

**MISSION STATEMENT**

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R Mac Oger  
(Signature)

Assoc. Supt./Treasurer  
(Title)

7/5/17  
(Date)

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**CORRECTIVE ACTION PLAN**

**FINDING 2015-002**

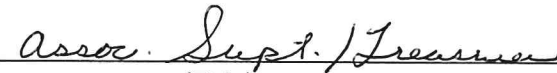
Contact Person Responsible for Corrective Action: R. Mac Dyer  
Contact Phone Number: (812) 246-3375

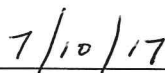
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A reconciliation of the financial check register and the payroll check register will be conducted by the Deputy Treasurer on a monthly basis to coincide with the production of the claim docket for the first school board meeting of each month. This process will ensure that all checks have been accounted for in the financial system, and they have all been reported on the claim docket for school board approval. To implement proper internal controls for this procedure and other financial transactions, bank reconciliations will be completed by the Accounting Clerk.

Anticipated Completion Date: The finding will be completed by the end of the 2017-2018 school year.

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)

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R. Mac Dyer, Assoc. Supt.  
Dr. John Reed, Asst. Supt.  
Thomas Brillhart, Asst. Supt.

**CORRECTIVE ACTION PLAN**

**FINDING 2015-003**

Contact Person Responsible for Corrective Action: R. Mac Dyer  
Contact Phone Number: (812) 246-3375

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: During the 2016-2017 school year West Clark Community Schools engaged a food service management company. Part of their responsibility is to insure all vendors that provide product for the food service certify that they have the required certificates indicating that they are not suspended or debarred from selling product(s) to public entities.

Anticipated Completion Date: The finding is fully resolved as of the 2016-2017 school year.

**FINDING 2015-004**

Contact Person Responsible for Corrective Action: R. Mac Dyer  
Contact Phone Number: (812) 246-3375

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: During the 2016-2017 school year an additional person was hired and trained in dealing with free and reduced applications and to help with segregation of duties. The individual along with food service director work together to maintain that applications are properly maintained and filed, all information on the application is properly completed along with all backup material, cross checking between the food service director and individual for accuracy of application of benefits.

Anticipated completion Date: The finding will be fully resolved by the beginning of the 2017-2018 school year.

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**FINDING 2015-005**

Contact Person Responsible for Corrective Action: R. Mac Dyer  
Contact Phone Number: (812) 246-3375

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: During the 2016-2017 school year the food service director is to use the Paid Lunch Equity Price Calculator to establish the appropriate lunch price and maintain a copy of the equity tool for verification. An additional control was developed at the end of the 2016-2017 school year to have the food service management company also complete the equity tool for correctness.

Anticipated Completion Date: The finding is fully resolved for the 2016-2017 school year.

**FINDING 2015-006**

Contact Person Responsible for Corrective Action: R. Mac Dyer  
Contact Phone Number: (812) 246-3375

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Control to insure that the account balance in the food service does not exceed three months average expenditures will be accomplished by having the deputy treasurer calculate the average expenditures for the month and then having the food service director verify the calculation.

Control to insure that there is a proper segregation of duties over the collection of monies at the cafeteria will be accomplished by having the cafeteria manager only make the deposit to the bank and not work as a cashier or make adjustments to student meal accounts. The accounting clerk will be the only one to make

adjustments to the meal counts.

Control to insure that a review was completed to verify that the monthly reimbursement claims are reviewed will be accomplished by having the food service management company generate the monthly claims for reimbursement and the food service director verify and sign off on the claim for reimbursement.


Control to insure that someone other than the food service director is available to review or approve assistance applications is rectified by by the use of an additional individual to work with the food service director.

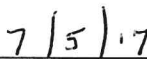
The deputy treasurer will reconcile the prepaid meal control account using a worksheet designed for the function, at least on a monthly basis. The reconciliation will be approved by the food service director.

Anticipated Completion Date:

The finding is fully resolved by the end of the 2017-2018 school year.

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)

**SCHOOL BOARD**

Joe Basham, President  
Brian Hurst, Vice President  
Doug Coffman, Secretary  
Brian Guernsey, Member  
Crystal Gunther, Member

**West Clark Community Schools**

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*“Pathways for Everyone”*

**ADMINISTRATION**

Chad Schenck, Supt. of Schools  
R. Mac Dyer, Assoc. Supt.  
Dr. John Reed, Asst. Supt.  
Thomas Brillhart, Asst. Supt.

**CORRECTIVE ACTION PLAN**

**FINDING 2015-007**

Contact Person Responsible for Corrective Action: Clemen Perez-Lloyd  
Contact Phone Number: (812) 246-3375

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Starting July 26, 2017 the Superintendent will establish with the building principals a process using the district student data management system that identifies student with ten (10) consecutive days of absence, students that do not show up at the beginning of school or students that are marked absent without reason. Students in these categories will be flagged at the central office and a report will be generated monthly for the Superintendent to determine appropriate action. The Superintendent can elect to send an attendance officer with the school resource officer to hunt for unaccounted students or have the building principal track the unaccounted students. The Superintendent will sign off on all students that have been identified as unaccounted for with the corresponding exit report (IDOE forms) signed by the building principal and attendance officer.

The Superintendent will verify the students in each cohort to be check against the graduating class each year. The final cohort report will be kept on file at central office identifying students retained in a cohort and students who left the cohort with a corresponding reason using codes provided by the State of Indiana. The cohort report will be signed by the Superintendent, the building principal and the attendance officer.

**MISSION STATEMENT**

West Clark Community Schools' mission is to provide engaging opportunities that prepare students to meet tomorrow's challenges.  
**AN EQUAL OPPORTUNITY EMPLOYER**

Anticipated Completion Date: The finding is fully resolved as of the 2017-2018 school year.

**FINDING 2015-008**

Contact Person Responsible for Corrective Action: R. Mac Dyer, John Reed  
Contact Phone Number: (812) 246-3375

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Grants Director and Deputy Treasurer will meet every two weeks, coinciding with payroll dates, to go over the transactions charged to the Title I Program. Detailed expenditure reports will be presented for the current time period and reconciled. A reimbursement request will be completed and submitted with the approval of the Grants Director after reconciliation of the fund. Meeting every two weeks will lessen the need for adjustments and alleviate noncompliance with the grant agreement and the compliance requirements.

The accounting clerk will secure all free and reduce applications including direct certification beginning with school registration and continuing throughout the year. All students qualifying for free and reduce lunch will be enter into the student data manager system by technology personnel. These entries will be verified by the Associate superintendent and the Assistant Superintendent of curriculum and instruction. This data will be submitted to the state in the DOE- TI report. After the state designated time for cleaning up the TI report in October will be compared to the data that is in the District student data manager system, this will generate a report by which discrepancies can be corrected or reason for the discrepancy can be verified. This report will be signed off by the Associate Superintendent and the Assistant superintendent of Instruction by October 30, 2017.

Anticipated completion Date:

The finding will be fully resolved by the end of the 2017-2018 school year for the first paragraph. The finding for the second paragraph will be fully resolved by the beginning of the 2017-2018 school year.

R. Mac Jee  
(Signature)

Assoc. Supt. / Treasurer  
(Title)

7/19/2017  
(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/>.