

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SPRINGS VALLEY COMMUNITY
SCHOOL CORPORATION
ORANGE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/26/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-25
Schedule of Payables and Receivables	26
Schedule of Leases and Debt	27
Schedule of Capital Assets.....	29
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	32-34
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	37
Notes to Schedule of Expenditures of Federal Awards	38
Schedule of Findings and Questioned Costs	39-47
Auditee-Prepared Document:	
Corrective Action Plan	50-54
Other Reports.....	55

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kathy Allstott	07-01-13 to 06-30-18
Superintendent of Schools	Dr. Jerrill Vandeventer Anthony Whitaker	07-01-13 to 12-31-13 01-01-14 to 12-31-18
President of the School Board	Ralph Purkhiser Cheryl Lynch Todd Marshall	07-01-13 to 12-31-13 01-01-14 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SPRINGS VALLEY COMMUNITY
SCHOOL CORPORATION, ORANGE COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 12, 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

September 12, 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 SPRINGS VALLEY COMMUNITY
SCHOOL CORPORATION, ORANGE 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 Springs Valley Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated September 12, 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 a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 item 2015-001 to be a material weakness.

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

Compliance and Other Matters


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

Springs Valley Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

September 12, 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.

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 339,083	\$ 5,925,652	\$ 6,222,782	\$ -	\$ 41,953	\$ 5,680,066	\$ 5,685,841	\$ -	\$ 36,178
Debt Service	137,926	868,869	782,400	-	224,395	962,854	691,600	(32,511)	463,138
Retirement/Severance Bond Debt Service	22,011	120,278	126,675	-	15,614	131,405	123,162	(5,196)	18,661
Capital Projects	737,927	1,050,244	811,955	(300,000)	676,216	1,066,223	776,305	(323,186)	642,948
School Transportation	515,781	672,367	508,018	(300,000)	380,130	712,547	541,004	(116,806)	434,867
School Bus Replacement	-	57,318	-	(30,882)	26,436	30,014	44,464	2,681	14,667
Rainy Day	1,425,444	14	140,576	600,000	1,884,882	443	518,907	400,000	1,766,418
School Lunch	196,685	417,577	415,821	1,231	199,672	421,136	450,007	568	171,369
Textbook Rental	40,875	187,843	94,144	-	134,574	132,062	27,063	-	239,573
Self-Insurance	145,822	808,233	805,565	-	148,490	844,233	843,265	-	149,458
Levy Excess	-	-	-	-	-	128	-	78,018	78,146
Educational License Plates	5,381	131	-	-	5,512	131	-	-	5,643
SAFE School Haven	-	-	-	-	-	7,295	7,295	-	-
Early Intervention Grant	-	-	-	-	-	4,900	4,203	-	697
Restricted Donation Fund	-	33,600	33,600	-	-	2,700	2,700	-	-
Backyard Habitat Project	134	-	-	-	134	-	-	-	134
OCCF/Professional Development Grant	1,876	-	1,876	-	-	-	-	-	-
Casino Revenue	723,182	689,464	294,680	32,082	1,150,048	577,352	313,748	(15,431)	1,398,221
High Ability	-	27,337	27,337	-	-	27,565	27,565	-	-
Secured Schools Safety Grant	-	8,130	8,130	-	-	17,500	17,500	-	-
School Technology	951	4,488	4,289	-	1,150	4,539	3,743	-	1,946
Performance Based Awards	-	-	-	-	-	27,373	27,373	-	-
After School Teen Program	7,961	1,300	1,664	-	7,597	3,400	1,138	-	9,859
After School Teen Operating	20,825	-	18,506	-	2,319	-	17,750	15,431	-
Excess PTRC Distributions	25	-	-	-	25	-	-	-	25
Title I FY 2013-14	-	129,785	141,368	-	(11,583)	47,565	35,982	-	-
Title I FY 2012-13	(14,631)	37,237	22,606	-	-	-	-	-	-
Title I FY 2014-15	-	-	-	-	-	130,611	136,450	-	(5,839)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	69,940	69,940	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	36,610	36,610	-	-	36,837	36,837	-	-
Rural Schools and Low Income Program - Pass Through State	-	19,218	19,218	-	-	-	-	-	-
Payroll Withholdings	(25,507)	1,715,392	1,714,542	-	(24,657)	1,766,142	1,763,282	-	(21,797)
Totals	\$ 4,281,751	\$ 12,881,027	\$ 12,302,302	\$ 2,431	\$ 4,862,907	\$ 12,635,021	\$ 12,097,184	\$ 3,568	\$ 5,404,312

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other Financing Sources and Uses

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

Sale of capital assets. 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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

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.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

C. Additional Pension Plans

The School Corporation also contributes to additional pension plan unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants and reimbursable payroll expenditures. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 and 2015, respectively.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Springs Valley Primary School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. The final lease payment during the year ending June 30, 2014, totaled \$100,000.

The School Corporation has entered into a capital lease with Springs Valley School Building Corporation. 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 ending June 30, 2014 and 2015, totaled \$632,400 and \$691,600, respectively.

Note 9. Other Postemployment Benefits

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

Note 10. Subsequent Events

On March 14, 2016, the School Board accepted two bids for improvements in the main gym. The bid of \$596,577 from Huntingburg Machine Works was accepted for the VRF HVAC project and the bid of \$212,713 from Precision Piping & Mechanical was accepted for the lighting project.

On November 14, 2016, the School Board accepted the low bid of \$849,019 from Commercial Services for the pool HVAC and Lighting Project.

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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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Self- Insurance	Levy Excess
Cash and investments - beginning	\$ 339,083	\$ 137,926	\$ 22,011	\$ 737,927	\$ 515,781	\$ -	\$ 1,425,444	\$ 196,685	\$ 40,875	\$ 145,822	\$ -
Receipts:											
Local sources	59,399	868,869	120,278	950,244	672,367	57,318	-	137,848	153,575	808,233	-
Intermediate sources	16	-	-	100,000	-	-	-	-	-	-	-
State sources	5,866,237	-	-	-	-	-	-	3,487	34,168	-	-
Federal sources	-	-	-	-	-	-	-	253,800	-	-	-
Interfund loans	-	-	-	-	-	-	-	22,192	-	-	-
Other receipts	-	-	-	-	-	-	14	250	100	-	-
Total receipts	5,925,652	868,869	120,278	1,050,244	672,367	57,318	14	417,577	187,843	808,233	-
Disbursements:											
Instruction	4,240,063	-	-	-	-	-	-	-	-	-	-
Support services	1,847,474	-	-	602,050	508,018	-	140,576	470	71,952	263	-
Noninstructional services	134,885	-	-	-	-	-	-	415,351	-	-	-
Facilities acquisition and construction	360	-	-	209,905	-	-	-	-	-	-	-
Debt services	-	782,400	126,675	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	805,302	-
Interfund loans	-	-	-	-	-	-	-	-	22,192	-	-
Total disbursements	6,222,782	782,400	126,675	811,955	508,018	-	140,576	415,821	94,144	805,565	-
Excess (deficiency) of receipts over disbursements	(297,130)	86,469	(6,397)	238,289	164,349	57,318	(140,562)	1,756	93,699	2,668	-
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	1,200	-	1,231	-	-	-
Transfers in	-	-	-	-	-	-	600,000	-	-	-	-
Transfers out	-	-	-	(300,000)	(300,000)	(32,082)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(300,000)	(300,000)	(30,882)	600,000	1,231	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(297,130)	86,469	(6,397)	(61,711)	(135,651)	26,436	459,438	2,987	93,699	2,668	-
Cash and investments - ending	\$ 41,953	\$ 224,395	\$ 15,614	\$ 676,216	\$ 380,130	\$ 26,436	\$ 1,884,882	\$ 199,672	\$ 134,574	\$ 148,490	\$ -

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

	Educational License Plates	SAFE School Haven	Early Intervention Grant	Restricted Donation Fund	Backyard Habitat Project	OCCF/ Professional Development Grant	Casino Revenue	High Ability	Secured Schools Safety Grant	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 5,381	\$ -	\$ -	\$ -	\$ 134	\$ 1,876	\$ 723,182	\$ -	\$ -	\$ 951	\$ -
Receipts:											
Local sources	-	-	-	32,600	-	-	3,081	-	-	-	-
Intermediate sources	131	-	-	-	-	-	686,383	-	-	-	-
State sources	-	-	-	-	-	-	-	27,337	8,130	4,488	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,000	-	-	-	-	-	-	-
Total receipts	131	-	-	33,600	-	-	689,464	27,337	8,130	4,488	-
Disbursements:											
Instruction	-	-	-	-	-	-	111,220	27,337	-	-	-
Support services	-	-	-	1,000	-	1,876	32,234	-	-	4,289	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	119,104	-	8,130	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	32,600	-	-	32,122	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	33,600	-	1,876	294,680	27,337	8,130	4,289	-
Excess (deficiency) of receipts over disbursements	131	-	-	-	-	(1,876)	394,784	-	-	199	-
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	32,082	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	32,082	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	131	-	-	-	-	(1,876)	426,866	-	-	199	-
Cash and investments - ending	\$ 5,512	\$ -	\$ -	\$ -	\$ 134	\$ -	\$ 1,150,048	\$ -	\$ -	\$ 1,150	\$ -

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

	After School Teen Program	After School Teen Operating	Excess PTRC Distributions	Title I FY 2013-14	Title I FY 2012-13	Title FY 2014-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Improving Teaching Quality, No Child Left, Title II, Part A	Rural Schools and Low Income Program - Pass Through State	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 7,961	\$ 20,825	\$ 25	\$ -	\$ (14,631)	\$ -	\$ -	\$ -	\$ -	\$ (25,507)	\$ 4,281,751
Receipts:											
Local sources	1,300	-	-	-	-	-	-	-	-	-	3,865,112
Intermediate sources	-	-	-	-	-	-	-	-	-	-	786,530
State sources	-	-	-	-	-	-	-	-	-	-	5,943,847
Federal sources	-	-	-	129,785	37,237	-	69,940	36,610	19,218	-	546,590
Interfund loans	-	-	-	-	-	-	-	-	-	-	22,192
Other receipts	-	-	-	-	-	-	-	-	-	1,715,392	1,716,756
Total receipts	1,300	-	-	129,785	37,237	-	69,940	36,610	19,218	1,715,392	12,881,027
Disbursements:											
Instruction	1,664	17,812	-	141,368	22,606	-	576	36,610	19,218	-	4,618,474
Support services	-	-	-	-	-	-	600	-	-	-	3,210,802
Noninstructional services	-	-	-	-	-	-	-	-	-	-	550,236
Facilities acquisition and construction	-	694	-	-	-	-	68,764	-	-	-	406,957
Debt services	-	-	-	-	-	-	-	-	-	-	909,075
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	870,024
Interfund loans	-	-	-	-	-	-	-	-	-	1,714,542	1,736,734
Total disbursements	1,664	18,506	-	141,368	22,606	-	69,940	36,610	19,218	1,714,542	12,302,302
Excess (deficiency) of receipts over disbursements	(364)	(18,506)	-	(11,583)	14,631	-	-	-	-	850	578,725
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	2,431
Transfers in	-	-	-	-	-	-	-	-	-	-	632,082
Transfers out	-	-	-	-	-	-	-	-	-	-	(632,082)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	2,431
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(364)	(18,506)	-	(11,583)	14,631	-	-	-	-	850	581,156
Cash and investments - ending	\$ 7,597	\$ 2,319	\$ 25	\$ (11,583)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,657)	\$ 4,862,907

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Self- Insurance	Levy Excess
Cash and investments - beginning	\$ 41,953	\$ 224,395	\$ 15,614	\$ 676,216	\$ 380,130	\$ 26,436	\$ 1,884,882	\$ 199,672	\$ 134,574	\$ 148,490	\$ -
Receipts:											
Local sources	45,362	962,854	131,405	966,223	712,547	30,014	443	150,186	96,270	844,233	128
Intermediate sources	12	-	-	100,000	-	-	-	-	-	-	-
State sources	5,634,692	-	-	-	-	-	-	3,258	35,692	-	-
Federal sources	-	-	-	-	-	-	-	267,342	-	-	-
Other receipts	-	-	-	-	-	-	-	350	100	-	-
Total receipts	5,680,066	962,854	131,405	1,066,223	712,547	30,014	443	421,136	132,062	844,233	128
Disbursements:											
Instruction	3,839,468	-	-	-	-	-	162,086	-	-	-	-
Support services	1,713,342	-	-	581,252	541,004	44,464	356,821	541	27,063	263	-
Noninstructional services	132,296	-	-	-	-	-	-	449,466	-	-	-
Facilities acquisition and construction	735	-	-	195,053	-	-	-	-	-	-	-
Debt services	-	691,600	123,162	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	843,002	-
Total disbursements	5,685,841	691,600	123,162	776,305	541,004	44,464	518,907	450,007	27,063	843,265	-
Excess (deficiency) of receipts over disbursements	(5,775)	271,254	8,243	289,918	171,543	(14,450)	(518,464)	(28,871)	104,999	968	128
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	3,000	-	568	-	-	-
Transfers in	-	-	-	-	-	-	400,000	-	-	-	78,018
Transfers out	-	(32,511)	(5,196)	(323,186)	(116,806)	(319)	-	-	-	-	-
Total other financing sources (uses)	-	(32,511)	(5,196)	(323,186)	(116,806)	2,681	400,000	568	-	-	78,018
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,775)	238,743	3,047	(33,268)	54,737	(11,769)	(118,464)	(28,303)	104,999	968	78,146
Cash and investments - ending	\$ 36,178	\$ 463,138	\$ 18,661	\$ 642,948	\$ 434,867	\$ 14,667	\$ 1,766,418	\$ 171,369	\$ 239,573	\$ 149,458	\$ 78,146

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

	Educational License Plates	SAFE School Haven	Early Intervention Grant	Restricted Donation Fund	Backyard Habitat Project	OCCF/ Professional Development Grant	Casino Revenue	High Ability	Secured Schools Safety Grant	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 5,512	\$ -	\$ -	\$ -	\$ 134	\$ -	\$ 1,150,048	\$ -	\$ -	\$ 1,150	\$ -
Receipts:											
Local sources	-	-	-	2,700	-	-	-	-	-	-	-
Intermediate sources	131	-	-	-	-	-	577,352	-	-	-	-
State sources	-	7,295	4,900	-	-	-	-	27,565	17,500	4,539	27,373
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	131	7,295	4,900	2,700	-	-	577,352	27,565	17,500	4,539	27,373
Disbursements:											
Instruction	-	-	4,203	-	-	-	173,361	27,565	-	-	-
Support services	-	7,295	-	-	-	-	69,063	-	-	3,743	27,373
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	70,824	-	17,500	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,700	-	-	500	-	-	-	-
Total disbursements	-	7,295	4,203	2,700	-	-	313,748	27,565	17,500	3,743	27,373
Excess (deficiency) of receipts over disbursements	131	-	697	-	-	-	263,604	-	-	796	-
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(15,431)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(15,431)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	131	-	697	-	-	-	248,173	-	-	796	-
Cash and investments - ending	\$ 5,643	\$ -	\$ 697	\$ -	\$ 134	\$ -	\$ 1,398,221	\$ -	\$ -	\$ 1,946	\$ -

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

	After School Teen Program	After School Teen Operating	Excess PTRC Distributions	Title I FY 2013-14	Title I FY 2012-13	Title I FY 2014-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Improving Teaching Quality, No Child Left, Title II, Part A	Rural Schools and Low Income Program - Pass Through State	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 7,597	\$ 2,319	\$ 25	\$ (11,583)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,657)	\$ 4,862,907
Receipts:											
Local sources	3,400	-	-	-	-	-	-	-	-	-	3,945,765
Intermediate sources	-	-	-	-	-	-	-	-	-	-	677,495
State sources	-	-	-	-	-	-	-	-	-	-	5,762,814
Federal sources	-	-	-	47,565	-	130,611	-	36,837	-	-	482,355
Other receipts	-	-	-	-	-	-	-	-	-	1,766,142	1,766,592
Total receipts	3,400	-	-	47,565	-	130,611	-	36,837	-	1,766,142	12,635,021
Disbursements:											
Instruction	1,138	17,750	-	35,982	-	136,450	-	36,837	-	-	4,434,840
Support services	-	-	-	-	-	-	-	-	-	-	3,372,224
Noninstructional services	-	-	-	-	-	-	-	-	-	-	581,762
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	284,112
Debt services	-	-	-	-	-	-	-	-	-	-	814,762
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,763,282	2,609,484
Total disbursements	1,138	17,750	-	35,982	-	136,450	-	36,837	-	1,763,282	12,097,184
Excess (deficiency) of receipts over disbursements	2,262	(17,750)	-	11,583	-	(5,839)	-	-	-	2,860	537,837
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	3,568
Transfers in	-	15,431	-	-	-	-	-	-	-	-	493,449
Transfers out	-	-	-	-	-	-	-	-	-	-	(493,449)
Total other financing sources (uses)	-	15,431	-	-	-	-	-	-	-	-	3,568
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,262	(2,319)	-	11,583	-	(5,839)	-	-	-	2,860	541,405
Cash and investments - ending	\$ 9,859	\$ -	\$ 25	\$ -	\$ -	\$ (5,839)	\$ -	\$ -	\$ -	\$ (21,797)	\$ 5,404,312

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 5,839</u>

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Springs Valley School Building Corporation	First Mortgage Refunding Bonds	\$ 745,500	6/30/2014	12/31/2028
Total of annual lease payments		<u>\$ 745,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	Retirement/Severance Bonds	\$ 900,000	\$ 124,551
Totals		<u>\$ 900,000</u>	<u>\$ 124,551</u>

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SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 351,012
Buildings	18,852,177
Improvements other than buildings	1,773,239
Machinery, equipment, and vehicles	<u>3,143,063</u>
 Total governmental activities	 <u>24,119,491</u>
 Total capital assets	 <u>\$ 24,119,491</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION, ORANGE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Springs Valley Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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.

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2015-002 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management and Reporting that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, 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 the Special Education Cluster (IDEA) for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

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

Other Matters

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

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

Report on Internal Control over Compliance

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


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 2015-002, 2015-003, 2015-004, and 2015-005 to be material weaknesses.

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

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

September 12, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	6160	\$ -	\$ 64,431	\$ -	\$ 70,733
School Breakfast Program							
National School Lunch Program	Indiana Department of Education	10.555	6160	-	189,369	-	196,609
School Lunch		10.555	6160	-	29,133	-	30,909
School Lunch - Commodities							
Total - National School Lunch Program				-	218,502	-	227,518
Summer Food Service Program for Children	Indiana Department of Education	10.559	6160	-	-	-	361
Summer Food Service							
Total - Child Nutrition Cluster				-	282,933	-	298,612
Total - Department of Agriculture				-	282,933	-	298,612
Department of Education							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education						
Special Ed Technology		84.027	EDS #A58-3-13DL-1452	-	69,940	-	-
Special Education		84.027	14213-056-PN01	-	44,190	-	44
Special Education		84.027	14214-056-PN01	-	167,061	-	58,408
Special Education		84.027	99914-056-TA01	-	2,234	-	1,167
Special Education		84.027	14215-056-PN01	-	-	-	162,673
Total - Special Education_Grants to States				-	283,425	-	222,292
Special Education_Preschool Grants	Indiana Department of Education						
Special Education		84.173	45713-056-PN01	-	7,484	-	-
Special Education		84.173	45714-056-PN01	-	6,670	-	5,868
Special Education		84.173	45715-056-PN01	-	-	-	5,866
Total - Special Education_Preschool Grants				-	14,154	-	11,734
Total - Special Education Cluster (IDEA)				-	297,579	-	234,026
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I		84.010	13-6160	-	37,237	-	-
Title I		84.010	14-6160	-	129,785	-	47,565
Title I		84.010	15-6160	-	-	-	130,611
Total - Title I Grants to Local Educational Agencies				-	167,022	-	178,176
Rural Education	Indiana Department of Education						
Rural and Low-Income		84.358	12-6160	-	19,218	-	-
Improving Teacher Quality State Grants	Indiana Department of Education						
Class Size Reduction		84.367	13-6160	-	36,610	-	-
Class Size Reduction		84.367	14-6160	-	-	-	36,837
Total - Improving Teacher Quality State Grants				-	36,610	-	36,837
Total - Department of Education				-	520,429	-	449,039
Total federal awards expended				\$ -	\$ 803,362	\$ -	\$ 747,651

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

SPRING VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

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:	
Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)	Unmodified Qualified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2015-001

Subject: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

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

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to the reporting of food service program receipts.

Context

The Extracurricular Treasurer wrote receipts for the food service program collections, made the deposits, and posted the receipts to the ledger. No controls could be identified over the receipts collected by the Extracurricular Treasurer for the food service program during 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 system of internal control that would have ensured proper reporting of receipts for the food service program.

Effect

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

Recommendation

We recommended that the School Corporation's management establish controls to sufficiently separate incompatible activities related to the collection and recording of receipts for the food service program.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002

Subject: Special Education_Grants to States and Special Education_Preschool
Grants - Cash Management and Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-056-PN01, 14214-056-PN01,
14215-056-PN01, 99914-056-TA01,
45713-056-PN01, 45714-056-PN01,
45715-056-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation was a member of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and managed the Special Education grant funds. There was no oversight of the Cooperative by the School Corporation. Each member school corporation is ultimately responsible for ensuring compliance with the requirements.

An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Cash Management and Reporting compliance requirements.

The supporting documentation attached to the reimbursement forms was a detail subtotal by fund by object code report, which was a summary listing of expenses grouped by fund and object code with no detail of the actual expenses incurred. The supporting documentation did not consistently agree with the amounts requested for reimbursement or the total expenses to date that were reported. The School Corporation claimed and received reimbursements for expenditures that were not incurred and/or paid prior to the date of claiming the reimbursement.

Context

The amount requested for reimbursement and the reported amount of total expenses to date could not be verified to supporting documentation for 7 of the 12 reimbursement forms tested. The total amount claimed for reimbursement for each grant agreed to the grant award amounts.

Criteria

34 CFR 80.20(b) states in part:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

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

- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

34 CFR 80.21(d) states in part: ". . . Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. . . ."

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 of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the Cash Management and Reporting compliance requirements.

Effect

The failure to establish an effective internal control system caused the School Corporation to be in noncompliance with the grant agreement and the compliance requirements. A lack of an internal control system could have also 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 develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

Views of Responsible Officials

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

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

FINDING 2015-003

Subject: Special Education_Grants to States and Special Education_Preschool
Grants - Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 14213-056-PN01, 14214-056-PN01,
14215-056-PN01, 99914-056-TA01,
45713-056-PN01, 45714-056-PN01,
45715-056-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation was a member of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and manages the Special Education grant funds. There was no oversight of the Cooperative by the School Corporation. Each member school corporation is ultimately responsible for ensuring compliance with the requirements.

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

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

Context

There were two contracts during 2013-2014 school year and three contracts during 2014-2015 school year that exceeded \$25,000; however, the Cooperative did not verify that the vendors were not suspended or debarred prior to awarding these contracts.

Criteria

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

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

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

Effect

The failure to establish an effective internal control system enabled the School Corporation to be in noncompliance with the Suspension and Debarment compliance requirement and the grant agreement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Suspension and Debarment compliance 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: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-6160, 14-6160, 15-6160

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation did not present for audit the Semi-Annual Certifications for the School Corporation employees that were paid solely from Title I funds.

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

Context

No evidence was presented that Semi-Annual Certifications were completed and certified for 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. . . ."

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

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

Cause

The School Corporation did not have a system in place to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

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 develop and implement procedures and establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

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

FINDING 2015-005

Subject: Title I Grants to Local Educational Agencies - Reporting and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 13-6160, 14-6160, 15-6160
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Reporting, Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals
Audit Finding: Material Weakness

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Reporting and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirements.

Context

Reporting

The Treasurer was responsible for the preparation and submission of the Annual Expenditure Reports. No evidence was presented for audit that the Annual Expenditure Reports were reviewed to ensure the accuracy and completeness of the reports by someone other than the preparer.

This was a systemic problem during the audit period for the Title I program. Controls did not exist over the Reporting compliance requirement pertaining to all Annual Expenditure Reports submitted.

Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals

The School Corporation had not designed or implemented adequate policies and procedures that would have ensured that paraprofessionals involved with the Title I program were highly qualified. Controls did not exist that would have ensured that someone was verifying that paraprofessionals had met the Highly Qualified requirements.

This was a systemic problem during the audit period for the Title I program.

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. . . ."

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

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that School Corporation's management develop and implement procedures and establish controls to ensure compliance with the grant agreement and the Reporting and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirements.

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 DOCUMENT

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

SPRINGS VALLEY COMMUNITY SCHOOLS

OFFICE OF THE SUPERINTENDENT

498 SOUTH LARRY BIRD BLVD. • FRENCH LICK, INDIANA 47432-1060
PHONE (812) 936-4474 • FAX (812) 936-9392

CORRECTIVE ACTION PLAN

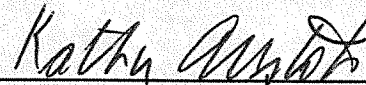
FINDING 2015-001

Contact Person Responsible for Corrective Action: Kathy Allstott
Contact Phone Number: 812-936-4474

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The high school extra-curricular treasurer now has internal control procedures in place for another employee to review the receipts of money, deposits of same, and ledger posting of revenue transactions.

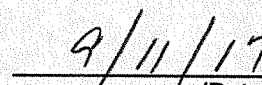
Anticipated Completion Date: 08/31/2017



(Signature)



(Title)



(Date)

SPRINGS VALLEY COMMUNITY SCHOOLS

OFFICE OF THE SUPERINTENDENT

498 SOUTH LARRY BIRD BLVD. • FRENCH LICK, INDIANA 47432-1060
PHONE (812) 936-4474 • FAX (812) 936-9392

CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Kathy Allstott
Contact Phone Number: 812-936-4474


Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation staff will review the expenditure reports and reimbursement forms submitted by the special education cooperative staff to ensure that dollars are not requested prior to payment of expenses. The cooperative treasurer is now running detailed reports that are attached to the Federal Grant reimbursement requests, for auditing purposes.

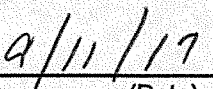
Anticipated Completion Date: September 2017



(Signature)



(Title)



(Date)

SPRINGS VALLEY COMMUNITY SCHOOLS

OFFICE OF THE SUPERINTENDENT

498 SOUTH LARRY BIRD BLVD. • FRENCH LICK, INDIANA 47432-1060
PHONE (812) 936-4474 • FAX (812) 936-9392

CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: Kathy Allstott
Contact Phone Number: 812-936-4474

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation staff will begin verifying that subcontractors utilized through the special education cooperative were not suspended, debarred, or otherwise excluded from or ineligible to participate in federal assistance programs prior to entering into contract with said subcontractors. Cooperative personnel will begin using the System of Awards Manager Center (www.sam.gov) to make sure the vendor has not been suspended or debarred prior to entering into any contract exceeding \$25,000.

Anticipated Completion Date: October 2017

Kathy Allstott

(Signature)

Treasurer

(Title)

9/11/17

(Date)

SPRINGS VALLEY COMMUNITY SCHOOLS

OFFICE OF THE SUPERINTENDENT

498 SOUTH LARRY BIRD BLVD. • FRENCH LICK, INDIANA 47432-1060
PHONE (812) 936-4474 • FAX (812) 936-9392

CORRECTIVE ACTION PLAN

FINDING 2015-004

Contact Person Responsible for Corrective Action: Kathy Allstott
Contact Phone Number: 812-936-4474

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Semiannual certification will now be done for staff members who are paid 100% by federal funds, including Title I.

Anticipated Completion Date: December, 2017

Kathy Allstott
(Signature)

Treasurer
(Title)

9/11/17
(Date)

SPRINGS VALLEY COMMUNITY SCHOOLS

OFFICE OF THE SUPERINTENDENT

498 SOUTH LARRY BIRD BLVD. • FRENCH LICK, INDIANA 47432-1060
PHONE (812) 936-4474 • FAX (812) 936-9392

CORRECTIVE ACTION PLAN

FINDING 2015-005

Contact Person Responsible for Corrective Action: Kathy Allstott
Contact Phone Number: 812-936-4474

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plans: The school corporation treasurer will have the superintendent and/or Title I director to review the Annual Expenditure Report to ensure accuracy and completeness prior to submission. Administration will ensure that teachers and paraprofessionals are highly qualified, with documentation maintained in personnel files.

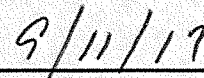
Anticipated Completion Date: October, 2017



(Signature)



(Title)



(Date)

OTHER REPORTS

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