

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WESTERN BOONE COUNTY COMMUNITY
SCHOOL CORPORATION
BOONE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
11/17/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vivian Norman	01-01-13 to 12-31-17
Superintendent of Schools	Dr. Judi Hendrix Robert W. Ramey	07-01-13 to 05-31-16 06-01-16 to 12-31-17
President of the School Board	Debbie Smith Shane Steimel	01-01-13 to 12-31-13 01-01-14 to 12-31-17



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WESTERN BOONE COUNTY COMMUNITY
SCHOOL CORPORATION, BOONE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Western Boone County 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 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

October 5, 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 WESTERN BOONE COUNTY COMMUNITY
SCHOOL CORPORATION, BOONE 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 Western Boone County 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 October 5, 2017, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

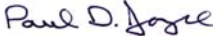
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

Western Boone County 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

October 5, 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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WESTERN BOONE COUNTY 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	\$ 1,937,315	\$ 10,886,684	\$ 10,966,675	\$ 11,987	\$ 1,869,311	\$ 10,478,491	\$ 10,664,833	\$ 12,284	\$ 1,695,253
Debt Service	2,040,116	3,330,386	3,266,590	-	2,103,912	3,037,563	3,288,138	-	1,853,337
Capital Projects	303,015	1,387,618	1,342,763	-	347,870	1,429,598	1,253,496	-	523,972
School Transportation	651,328	1,263,063	1,195,296	(120,000)	599,095	1,387,679	1,205,539	(75,000)	706,235
School Bus Replacement	46,178	230,184	-	(30,000)	246,362	240,343	202,932	(75,000)	208,773
Rainy Day	962,862	-	8,934	150,000	1,103,928	-	24,355	150,000	1,229,573
Construction	622	-	-	-	622	-	-	-	622
School Lunch	464,060	837,198	861,376	-	439,882	858,192	837,097	-	460,977
Textbook Rental	185,746	175,992	177,645	-	184,093	161,996	189,918	-	156,171
SAFE School Haven	(2,017)	12,167	10,150	-	-	9,309	10,208	-	(899)
Donation-Tomkins	105	-	-	-	105	300	403	-	2
Donation-Heffner	2,740	-	1,655	-	1,085	-	158	-	927
Donations-WB Scoreboard	-	37,976	34,367	-	3,609	-	-	-	3,609
Donation - TT Elementary	-	-	-	-	-	100	100	-	-
WEBO Education Foundation	146,269	44,708	32,199	-	158,778	59,842	38,249	-	180,371
Radio/TV Voc Ed Program	7,148	5,058	12,206	-	-	11,259	11,259	-	-
Education Technology	-	-	-	-	-	293,310	293,310	-	-
Adult and Continuing Education	36,286	12,774	14,598	-	34,462	15,940	19,794	-	30,608
Early Childhood Intervention (First Steps)	-	31,916	19,929	(11,987)	-	32,519	20,235	(12,284)	-
Medicaid Reimbursement	178	-	-	-	178	-	-	-	178
Secured Schools Safety Grant	-	-	18,769	-	(18,769)	61,733	60,447	-	(17,483)
Non-English Speaking Programs P.L. 273-1999	568	-	-	-	568	-	-	-	568
School Technology	5,828	9,674	1,294	-	14,208	8,161	18,230	-	4,139
PreSchool Grant	10,568	30,000	22,591	-	17,977	40,788	33,300	-	25,465
Synergy Leadership Grant	879	-	-	-	879	-	-	-	879
Com Fndtn Boone-Lifeskill	-	-	-	-	-	500	492	-	8
BCMG Grant - WB Lifeskills	-	-	-	-	-	150	-	-	150
WBBUS Grant	-	-	-	-	-	53	-	-	53
Energy Club Grant	-	10,000	-	-	10,000	-	8,500	-	1,500
YAR-Mentor Grant-Western Boone	2,053	992	1,035	-	2,010	-	35	-	1,975
Bear Grant-Technology	147	-	-	-	147	-	-	-	147
Strategic Planning Grant	10,657	7,000	5,267	-	12,390	1,809	5,014	-	9,185
Wellness Program	330	6,980	7,224	-	86	4,502	4,588	-	-
Smart Resolutions	30,847	1,252	7,519	-	24,580	-	6,705	-	17,875
Title I	(8,241)	124,346	130,385	-	(14,280)	137,376	130,640	-	(7,544)
Spec Needs Grant - Pt B	-	-	-	-	-	310,140	324,678	-	(14,538)
Technical Asst Grant	-	7,872	7,872	-	-	-	-	-	-
Pre-School Fed 619 Grant	-	10,554	10,554	-	-	10,427	10,427	-	-
Fed Grant - Radio/TV	-	-	-	-	-	9,500	9,500	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(3,025)	39,873	40,362	-	(3,514)	35,259	34,424	-	(2,679)
Title III - Language Instruction	843	-	-	-	843	-	-	-	843
Payroll	45,916	2,679,175	2,677,581	-	47,510	2,685,216	2,686,575	-	46,151
Totals	\$ 6,879,321	\$ 21,183,442	\$ 20,874,836	\$ -	\$ 7,187,927	\$ 21,322,055	\$ 21,393,579	\$ -	\$ 7,116,403

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

WESTERN BOONE COUNTY 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.

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.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
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.

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for 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.

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.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. 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.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Additional Pension Plans

The School Corporation also contributes to additional pension plans unique to the School Corporation. The VALIC Annuity Plan applies to both certified and noncertified employees. The contribution amount depends on an employee's years of service with the School Corporation. For certified employees, the School Corporation contributes a flat rate of \$850 per year for 0 to 5 years of service, \$900 for 6 to 10 years of service, and \$950 for more than 10 years of service. The employee is required to match in order to receive this benefit. For noncertified employees, annual contributions are as follows: a flat rate of \$200 a year for 1 to 5 years of service, \$400 for 6 to 10 years of service, and \$600 for more than 10 years of service. The employee is required to contribute \$50 annually in order to receive this benefit. In addition to the VALIC Annuity Plan, the School Corporation contributes a percentage of gross pay each pay period into a VALIC account for full-time, noncertified employees who have completed 1 year of service with the School Corporation. The percentages are 4.5 percent, 3.75 percent, and 3 percent and are dependent upon the employee's position with 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 School Corporation's participation in numerous reimbursable grant programs that require the expenditure of funds prior to the grant distribution.

Note 8. Holding Corporation

The School Corporation has entered into capital leases with Western Boone Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during fiscal years 2013-2014 and 2014-2015 totaled \$3,257,875 and \$3,278,750, respectively.

Note 9. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: retired certified staff may remain on the School Corporation's health insurance plan. The School Corporation contributes an amount equal to the premium under the single plan, and the balance of the premium, if any, is paid by the retiree.

Certified employees receive payment for any accrued and unused sick days at the rate of \$70 per day up to a maximum of 110 days. This amount is placed into the employee's VALIC account by the School Corporation.

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.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 10. Subsequent Event

The School Corporation issued general obligation bonds in May 2016 in the amount of \$2,965,000 for the remodeling of Western Boone Jr./Sr High School, Thorntown Elementary, and Granville Wells Elementary.

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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.

WESTERN BOONE COUNTY 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	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,937,315	\$ 2,040,116	\$ 303,015	\$ 651,328	\$ 46,178	\$ 962,862	\$ 622	\$ 464,060	\$ 185,746
Receipts:									
Local sources	492,096	3,330,386	1,345,724	1,263,063	230,184	-	-	440,754	125,121
Intermediate sources	60	-	-	-	-	-	-	-	-
State sources	10,386,517	-	-	-	-	-	-	11,835	50,871
Federal sources	-	-	-	-	-	-	-	384,609	-
Other receipts	8,011	-	41,894	-	-	-	-	-	-
Total receipts	<u>10,886,684</u>	<u>3,330,386</u>	<u>1,387,618</u>	<u>1,263,063</u>	<u>230,184</u>	<u>-</u>	<u>-</u>	<u>837,198</u>	<u>175,992</u>
Disbursements:									
Instruction	7,552,916	-	-	-	-	-	-	-	-
Support services	3,319,764	-	833,963	1,195,296	-	-	-	-	177,645
Noninstructional services	93,995	-	-	-	-	-	-	861,376	-
Facilities acquisition and construction	-	-	508,800	-	-	8,934	-	-	-
Debt service	-	3,266,590	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>10,966,675</u>	<u>3,266,590</u>	<u>1,342,763</u>	<u>1,195,296</u>	<u>-</u>	<u>8,934</u>	<u>-</u>	<u>861,376</u>	<u>177,645</u>
Excess (deficiency) of receipts over disbursements	<u>(79,991)</u>	<u>63,796</u>	<u>44,855</u>	<u>67,767</u>	<u>230,184</u>	<u>(8,934)</u>	<u>-</u>	<u>(24,178)</u>	<u>(1,653)</u>
Other financing sources (uses):									
Transfers in	11,987	-	-	-	-	150,000	-	-	-
Transfers out	-	-	-	(120,000)	(30,000)	-	-	-	-
Total other financing sources (uses)	<u>11,987</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>(30,000)</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(68,004)</u>	<u>63,796</u>	<u>44,855</u>	<u>(52,233)</u>	<u>200,184</u>	<u>141,066</u>	<u>-</u>	<u>(24,178)</u>	<u>(1,653)</u>
Cash and investments - ending	<u>\$ 1,869,311</u>	<u>\$ 2,103,912</u>	<u>\$ 347,870</u>	<u>\$ 599,095</u>	<u>\$ 246,362</u>	<u>\$ 1,103,928</u>	<u>\$ 622</u>	<u>\$ 439,882</u>	<u>\$ 184,093</u>

WESTERN BOONE COUNTY 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)

	SAFE School Haven	Donation- Tomkins	Donation- Heffner	Donations-WB Scoreboard	Donation - TT Elementary	WEBO Education Foundation	Radio/TV Voc Ed Program	Education Technology	Adult and Continuing Education
Cash and investments - beginning	\$ (2,017)	\$ 105	\$ 2,740	\$ -	\$ -	\$ 146,269	\$ 7,148	\$ -	\$ 36,286
Receipts:									
Local sources	-	-	-	-	-	-	5,058	-	11,995
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	12,167	-	-	37,976	-	44,708	-	-	779
Total receipts	12,167	-	-	37,976	-	44,708	5,058	-	12,774
Disbursements:									
Instruction	10,150	-	1,655	34,367	-	14,599	12,206	-	14,598
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	17,600	-	-	-
Total disbursements	10,150	-	1,655	34,367	-	32,199	12,206	-	14,598
Excess (deficiency) of receipts over disbursements	2,017	-	(1,655)	3,609	-	12,509	(7,148)	-	(1,824)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,017	-	(1,655)	3,609	-	12,509	(7,148)	-	(1,824)
Cash and investments - ending	\$ -	\$ 105	\$ 1,085	\$ 3,609	\$ -	\$ 158,778	\$ -	\$ -	\$ 34,462

WESTERN BOONE COUNTY 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)

	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	PreSchool Grant	Synergy Leadership Grant	Com Fndtn Boone-Lifeskill	BCMG Grant - WB Lifeskills
Cash and investments - beginning	\$ -	\$ 178	\$ -	\$ 568	\$ 5,828	\$ 10,568	\$ 879	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	31,916	-	-	-	9,674	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	30,000	-	-	-
Total receipts	31,916	-	-	-	9,674	30,000	-	-	-
Disbursements:									
Instruction	19,929	-	-	-	1,294	22,591	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	18,769	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	19,929	-	18,769	-	1,294	22,591	-	-	-
Excess (deficiency) of receipts over disbursements	11,987	-	(18,769)	-	8,380	7,409	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(11,987)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(11,987)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(18,769)	-	8,380	7,409	-	-	-
Cash and investments - ending	\$ -	\$ 178	\$ (18,769)	\$ 568	\$ 14,208	\$ 17,977	\$ 879	\$ -	\$ -

WESTERN BOONE COUNTY 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)

	WBBUS Grant	Energy Club Grant	YAR- Mentor Grant- Western Boone	Bear Grant- Technology	Strategic Planning Grant	Wellness Program	Smart Resolutions	Title I
Cash and investments - beginning	\$ -	\$ -	\$ 2,053	\$ 147	\$ 10,657	\$ 330	\$ 30,847	\$ (8,241)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	1,252	-
Federal sources	-	-	-	-	-	-	-	124,346
Other receipts	-	10,000	992	-	7,000	6,980	-	-
Total receipts	-	10,000	992	-	7,000	6,980	1,252	124,346
Disbursements:								
Instruction	-	-	1,035	-	-	7,224	7,519	130,385
Support services	-	-	-	-	5,267	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,035	-	5,267	7,224	7,519	130,385
Excess (deficiency) of receipts over disbursements	-	10,000	(43)	-	1,733	(244)	(6,267)	(6,039)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,000	(43)	-	1,733	(244)	(6,267)	(6,039)
Cash and investments - ending	\$ -	\$ 10,000	\$ 2,010	\$ 147	\$ 12,390	\$ 86	\$ 24,580	\$ (14,280)

WESTERN BOONE COUNTY 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)

	Spec Needs Grant - Pt B	Technical Asst Grant	Pre-School Fed 619 Grant	Fed Grant - Radio/TV	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (3,025)	\$ 843	\$ 45,916	\$ 6,879,321
Receipts:								
Local sources	-	-	10,554	-	-	-	-	7,254,935
Intermediate sources	-	-	-	-	-	-	-	60
State sources	-	7,872	-	-	-	-	-	10,499,937
Federal sources	-	-	-	-	39,873	-	-	548,828
Other receipts	-	-	-	-	-	-	2,679,175	2,879,682
Total receipts	-	7,872	10,554	-	39,873	-	2,679,175	21,183,442
Disbursements:								
Instruction	-	7,872	10,554	-	40,362	-	-	7,889,256
Support services	-	-	-	-	-	-	2,677,581	8,209,516
Noninstructional services	-	-	-	-	-	-	-	955,371
Facilities acquisition and construction	-	-	-	-	-	-	-	536,503
Debt service	-	-	-	-	-	-	-	3,266,590
Nonprogrammed charges	-	-	-	-	-	-	-	17,600
Total disbursements	-	7,872	10,554	-	40,362	-	2,677,581	20,874,836
Excess (deficiency) of receipts over disbursements	-	-	-	-	(489)	-	1,594	308,606
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	161,987
Transfers out	-	-	-	-	-	-	-	(161,987)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(489)	-	1,594	308,606
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (3,514)	\$ 843	\$ 47,510	\$ 7,187,927

WESTERN BOONE COUNTY 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	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,869,311	\$ 2,103,912	\$ 347,870	\$ 599,095	\$ 246,362	\$ 1,103,928	\$ 622	\$ 439,882	\$ 184,093
Receipts:									
Local sources	248,065	3,037,563	1,415,798	1,384,432	240,343	-	-	466,538	104,788
Intermediate sources	44	-	-	-	-	-	-	-	-
State sources	10,201,295	-	-	-	-	-	-	11,624	47,820
Federal sources	-	-	-	-	-	-	-	380,030	-
Other receipts	29,087	-	13,800	3,247	-	-	-	-	9,388
Total receipts	10,478,491	3,037,563	1,429,598	1,387,679	240,343	-	-	858,192	161,996
Disbursements:									
Instruction	7,199,603	-	-	-	-	-	-	-	-
Support services	3,343,756	-	847,695	1,205,539	202,932	-	-	-	189,918
Noninstructional services	121,474	-	-	-	-	-	-	837,097	-
Facilities acquisition and construction	-	-	405,801	-	-	24,355	-	-	-
Debt service	-	3,288,138	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,664,833	3,288,138	1,253,496	1,205,539	202,932	24,355	-	837,097	189,918
Excess (deficiency) of receipts over disbursements	(186,342)	(250,575)	176,102	182,140	37,411	(24,355)	-	21,095	(27,922)
Other financing sources (uses):									
Transfers in	12,284	-	-	-	-	150,000	-	-	-
Transfers out	-	-	-	(75,000)	(75,000)	-	-	-	-
Total other financing sources (uses)	12,284	-	-	(75,000)	(75,000)	150,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(174,058)	(250,575)	176,102	107,140	(37,589)	125,645	-	21,095	(27,922)
Cash and investments - ending	\$ 1,695,253	\$ 1,853,337	\$ 523,972	\$ 706,235	\$ 208,773	\$ 1,229,573	\$ 622	\$ 460,977	\$ 156,171

WESTERN BOONE COUNTY 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)

	SAFE School Haven	Donation- Tomkins	Donation- Heffner	Donations-WB Scoreboard	Donation - TT Elementary	WEBO Education Foundation	Radio/TV Voc Ed Program	Education Technology	Adult and Continuing Education
Cash and investments - beginning	\$ -	\$ 105	\$ 1,085	\$ 3,609	\$ -	\$ 158,778	\$ -	\$ -	\$ 34,462
Receipts:									
Local sources	-	-	-	-	-	-	11,259	-	13,338
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	293,310	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	9,309	300	-	-	100	59,842	-	-	2,602
Total receipts	9,309	300	-	-	100	59,842	11,259	293,310	15,940
Disbursements:									
Instruction	10,208	403	158	-	100	13,949	11,259	-	19,794
Support services	-	-	-	-	-	-	-	293,310	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	24,300	-	-	-
Total disbursements	10,208	403	158	-	100	38,249	11,259	293,310	19,794
Excess (deficiency) of receipts over disbursements	(899)	(103)	(158)	-	-	21,593	-	-	(3,854)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(899)	(103)	(158)	-	-	21,593	-	-	(3,854)
Cash and investments - ending	\$ (899)	\$ 2	\$ 927	\$ 3,609	\$ -	\$ 180,371	\$ -	\$ -	\$ 30,608

WESTERN BOONE COUNTY 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)

	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	PreSchool Grant	Synergy Leadership Grant	Com Fndtn Boone-Lifeskill	BCMG Grant - WB Lifeskills
Cash and investments - beginning	\$ -	\$ 178	\$ (18,769)	\$ 568	\$ 14,208	\$ 17,977	\$ 879	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	32,491	-	-	-	8,161	-	-	-	-
Federal sources	-	-	61,733	-	-	-	-	-	-
Other receipts	28	-	-	-	-	40,788	-	500	150
Total receipts	32,519	-	61,733	-	8,161	40,788	-	500	150
Disbursements:									
Instruction	20,235	-	-	-	18,230	33,300	-	492	-
Support services	-	-	28,967	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	31,480	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	20,235	-	60,447	-	18,230	33,300	-	492	-
Excess (deficiency) of receipts over disbursements	12,284	-	1,286	-	(10,069)	7,488	-	8	150
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(12,284)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(12,284)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,286	-	(10,069)	7,488	-	8	150
Cash and investments - ending	\$ -	\$ 178	\$ (17,483)	\$ 568	\$ 4,139	\$ 25,465	\$ 879	\$ 8	\$ 150

WESTERN BOONE COUNTY 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)

	WBBUS Grant	Energy Club Grant	YAR- Mentor Grant- Western Boone	Bear Grant- Technology	Strategic Planning Grant	Wellness Program	Smart Resolutions	Title I
Cash and investments - beginning	\$ -	\$ 10,000	\$ 2,010	\$ 147	\$ 12,390	\$ 86	\$ 24,580	\$ (14,280)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	137,376
Other receipts	53	-	-	-	1,809	4,502	-	-
Total receipts	53	-	-	-	1,809	4,502	-	137,376
Disbursements:								
Instruction	-	8,500	35	-	-	4,588	6,705	130,640
Support services	-	-	-	-	5,014	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	8,500	35	-	5,014	4,588	6,705	130,640
Excess (deficiency) of receipts over disbursements	53	(8,500)	(35)	-	(3,205)	(86)	(6,705)	6,736
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	53	(8,500)	(35)	-	(3,205)	(86)	(6,705)	6,736
Cash and investments - ending	\$ 53	\$ 1,500	\$ 1,975	\$ 147	\$ 9,185	\$ -	\$ 17,875	\$ (7,544)

WESTERN BOONE COUNTY 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)

	Spec Needs Grant - Pt B	Technical Asst Grant	Pre-School Fed 619 Grant	Fed Grant - Radio/TV	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (3,514)	\$ 843	\$ 47,510	\$ 7,187,927
Receipts:								
Local sources	310,140	-	10,427	9,500	-	-	-	7,252,191
Intermediate sources	-	-	-	-	-	-	-	44
State sources	-	-	-	-	-	-	-	10,594,701
Federal sources	-	-	-	-	35,259	-	-	614,398
Other receipts	-	-	-	-	-	-	2,685,216	2,860,721
Total receipts	<u>310,140</u>	<u>-</u>	<u>10,427</u>	<u>9,500</u>	<u>35,259</u>	<u>-</u>	<u>2,685,216</u>	<u>21,322,055</u>
Disbursements:								
Instruction	310,462	-	10,427	9,500	34,424	-	-	7,843,012
Support services	14,216	-	-	-	-	-	2,686,575	8,817,922
Noninstructional services	-	-	-	-	-	-	-	958,571
Facilities acquisition and construction	-	-	-	-	-	-	-	461,636
Debt service	-	-	-	-	-	-	-	3,288,138
Nonprogrammed charges	-	-	-	-	-	-	-	24,300
Total disbursements	<u>324,678</u>	<u>-</u>	<u>10,427</u>	<u>9,500</u>	<u>34,424</u>	<u>-</u>	<u>2,686,575</u>	<u>21,393,579</u>
Excess (deficiency) of receipts over disbursements	<u>(14,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>835</u>	<u>-</u>	<u>(1,359)</u>	<u>(71,524)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	162,284
Transfers out	-	-	-	-	-	-	-	(162,284)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(14,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>835</u>	<u>-</u>	<u>(1,359)</u>	<u>(71,524)</u>
Cash and investments - ending	<u>\$ (14,538)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,679)</u>	<u>\$ 843</u>	<u>\$ 46,151</u>	<u>\$ 7,116,403</u>

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WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Western Boone Multi-School Building Corporation	2008 Refinancing Bond	\$ 1,188,250	9/6/2011	9/5/2016
Western Boone Multi-School Building Corporation	2009 Bond	<u>2,086,000</u>	1/6/2013	8/15/2016
Total governmental activities		<u>3,274,250</u>		
Total of annual lease payments		<u>\$ 3,274,250</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Common School Loan	\$ 158,800	\$ 33,454
Total governmental activities		<u>158,800</u>	<u>33,454</u>
Totals		<u>\$ 158,800</u>	<u>\$ 33,454</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE WESTERN BOONE COUNTY COMMUNITY
SCHOOL CORPORATION, BOONE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Western Boone County 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. Except as discussed in the following paragraph, 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 Child Nutrition Cluster

As described in item 2015-002 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Child Nutrition Cluster regarding Program Income, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on the Other 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 its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-003, 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

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

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 item 2015-001, 2015-002, 2015-003, and 2015-004 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

October 5, 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.

WESTERN BOONE COUNTY 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY2013	\$ -	\$ 11,194	\$ -	\$ -
			FY2014	-	56,743	-	14,600
			FY2015	-	-	-	57,845
Total - School Breakfast Program				-	67,937	-	72,445
National School Lunch Program	Indiana Department of Education	10.555					
			FY2013	-	56,892	-	-
			FY2014	-	325,645	-	59,235
			FY2015	-	-	-	318,743
Total - National School Lunch Program				-	382,537	-	377,978
Total - Child Nutrition Cluster				-	450,474	-	450,423
Total - Department of Agriculture				-	450,474	-	450,423
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I FY2012-13 Part A			13-0615	-	39,209	-	-
Title I FY2013-14 Part A			14-0615	-	85,137	-	39,994
Title I FY2014-15 Part A			15-0615	-	-	-	97,382
Total - Title I Part A				-	124,346	-	137,376
Total - Title I Grants to Local Educational Agencies				-	124,346	-	137,376
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Special Education FY2013 Part B 611 Grant			14213-099-PN01	-	56,404	-	78
Special Education FY2014 Part B 611 Grant			14214-099-PN01	-	278,198	-	53,754
Special Education FY2015 Part B 611 Grant			14215-099-PN01	-	-	-	310,140
Special Education FY2014 Technical Assistance Grant			99914-99-TA01	-	7,872	-	-
Total - Special Education_Grants to States				-	342,474	-	363,972

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

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>							
Special Education Cluster (IDEA) (continued)							
Special Education_Preschool Grants	Indiana Department of Education	84.173					
Special Education FY2014 Part B 611 Grant			45714-099-PN01	-	10,554	-	-
Special Education FY2015 Part B 611 Grant			45715-099-PN01	-	-	-	10,427
Total - Special Education_Preschool Grants				-	10,554	-	10,427
Total - Special Education Cluster (IDEA)				-	353,028	-	374,399
Career and Technical Education -- Basic Grants to States	Crawfordsville Community School Corporation	84.048					
Radio/TV Grant			SY13-14	-	9,835	-	-
Radio/TV Grant			SY14-15	-	-	-	9,500
Total - Career & Technical Education -- Basic Grants to States				-	9,835	-	9,500
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II Grant			12-0615	-	11,213	-	-
Title II Grant			13-0615	-	28,660	-	11,564
Title II Grant			14-0615	-	-	-	23,695
Total - Improving Teacher Quality State Grants				-	39,873	-	35,259
Total - Department of Education				-	527,082	-	556,534
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
			DR-4173	-	-	-	12,471
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)				-	-	-	12,471
Total - Department of Homeland Security				-	-	-	12,471
Total federal awards expended				\$ -	\$ 977,556	\$ -	\$ 1,019,428

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

WESTERN BOONE COUNTY 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.

WESTERN BOONE COUNTY 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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001

Subject: Child Nutrition Cluster - Cash Management
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): FY2013, FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior audit period.

Condition

The School Corporation had not established adequate policies and procedures to ensure compliance with the Cash Management compliance requirement. There were no controls in place to ensure that the cash balance (Net Cash Resources) for the School Lunch fund did not exceed the three months average expenditures as required by federal guidelines. The School Corporation's cash balance (Net Cash Resources) exceeded the three months average expenditures every month during the audit period.

Context

The lack of controls and noncompliance were systemic issues during the audit period.

Criteria

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

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

7 CFR 210.14(b) states: "*Net cash resources*. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR 220.7(e) states in part:

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

- (iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The School Corporation had not developed an effective internal control system that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish internal controls over this requirement allowed noncompliance to occur. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish internal controls to ensure compliance with the Cash Management requirements of these programs.

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: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2013, FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Scope Limitation/Qualified Opinion

Repeat Finding

This is not a repeat finding from the immediate prior audit period.

Condition

The School Corporation had not established adequate policies and procedures to ensure compliance with Program Income requirements. Due to the method of recordkeeping, compliance with the Program Income requirements could not be tested.

All receipts from sales, as well as prepayments, were recorded directly into the School Lunch fund; prepayments were not recorded in a separate prepaid food fund; therefore, it could not determine if the School Corporation was properly assessing, collecting, and recording program income generated from the school food service program.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls and noncompliance were systemic issues during the audit period. It could not be determined whether the School Corporation was properly assessing, collecting, and recording program income generated 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. . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(i) states in part: "Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

Cause

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

Effect

The failure to establish an effective internal control system and properly maintain accounting records prevented the testing of the School Corporation's compliance with the grant agreement and the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and requirements related to Program Income to ensure compliance with all requirements.

Views of Responsible Officials

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

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-003

Subject: Child Nutrition Cluster - Equipment and Real Property Management
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): FY2013, FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding, Finding 2013-004, from the immediate prior audit period.

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 Equipment and Real Property Management compliance requirement.

The School Corporation did not maintain equipment or property records for equipment purchased with monies from the school food service program.

Context

The lack of controls and noncompliance were systemic problems during the period audited.

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 3016.32 states in part:

". . . (b) . . . Other grantees and subgrantees will follow paragraphs (c) through (e) of this section. . . ."

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

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

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

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

Effect

The failure to establish an effective internal control system allowed noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Equipment and Real Property Management requirements.

Views of Responsible Officials

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

FINDING 2015-004

Subject: Child Nutrition Cluster - 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): FY2013, FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior audit period.

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 Suspension and Debarment compliance requirement. There were no controls in place to ensure that the School Corporation verified that the vendors were not suspended or debarred.

The School Corporation entered into a contract with a vendor to procure supplies and equipment for the school food service program. The School Corporation did not verify that the vendor was not suspended or debarred or otherwise excluded or disqualified from participation in federal assistance programs prior to accepting the bid.

WESTERN BOONE COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic problem for the audit period. There was no evidence that the School Corporation verified that the vendor used to purchase supplies and equipment was not suspended or debarred.

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. . . ."

2 CFR 180.300 states:

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

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

Cause

Management had not developed a system or plan to ensure compliance with the Suspension and Debarment compliance requirement.

Effect

Failure to establish internal controls allowed noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Suspension and Debarment requirements of the programs.

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.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-002

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: Vivian Norman, Treasurer
Contact Phone Number: 765-482-6333

Status of Audit Finding:

The Western Boone Head Cooks and School Lunch Director continue to review and verify the monthly figures prior to submitting the reimbursement requests. The School Lunch Director is still striving to ensure that the Business Manager is aware of major purchases which would require to be added to the asset report as federal purchases. The School Lunch Director is going to begin to provide the Business Manager a listing of any major purchase semi-annually so that we can verify that all required purchases have been added to the asset report as a federal purchase.

FINDING 2013-003

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, Community Schools of Frankfort, Lebanon Community School Corporation
Contact Person Responsible for Corrective Action: Vivian Norman, Treasurer
Contact Phone Number: 765-482-6333

Status of Audit Finding:

The Business Manager/Corporation Treasurer generates all reimbursement requests then the Director of Curriculum or the Superintendent reviews the reimbursements and signs off on the report prior to the report being submitted. The Maintenance of Effort which is the Part 2 report for the Part B Spec Ed 611 Grant is generated by the Business Manager and the Superintendent reviews the report and signs off on the report prior to being submitted. The Director of Curriculum or Superintendent will provide a listing to the Business Manager annually for any major purchase expended from the Special Ed/Part B grants which would require to be added to the asset report as a federal purchase.

FINDING 2013-004

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: Vivian Norman, Treasurer
Contact Phone Number: 765-482-6333

Status of Audit Finding:

The Corporation has continued to have a company come in to perform an inventory audit every two years and the equipment purchased made from the Child Nutrition Cluster has been denoted as being purchases from federal funds. The School Lunch Director is going to begin to provide the Business

Manager a listing of any major purchase every six months so that we can verify that all required purchases have been added to the asset report as a federal purchase.

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: Vivian Norman, Treasurer

Contact Phone Number: 765-482-6333

Status of Audit Finding:

The School Corporation and the Director of Technology continue to strive to keep the inventory recorded for all capital assets purchased. An outside firm will come in every two years in order to complete an inventory report for the Corporation. The Director of Technology will provide a listing of any major purchases annually so that we can verify that all required purchases have been added to the asset report.

Vivian Norman
(Signature)

Business Mgr
(Title)

8-31-2017
(Date)

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Vivian Norman, Corporation Treasurer
Jane Taylor, Director of School Lunch
Contact Phone Number: 765-482-6333

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

In 2016, the Director of School Lunch had established a working plan which was established with the State School Nutrition Division in order to reduce the cash balance which has grown to exceed the three month average. After the plan is complete and the cash balance is inline, the Director of School Lunch and the Corporation Treasurer will monitor the cash balance in order that we stay in compliance.

Anticipated Completion Date: June, 2019

FINDING 2016-002

Contact Person Responsible for Corrective Action: Vivian Norman, Corporation Treasurer
Jane Taylor, Director of School Lunch
Contact Phone Number: 765-482-6333

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

A corrective plan was established in September, 2017 in order to establish a separate fund which holds all prepaid receipts. At the end of each month, the Director of School Lunch and the Corporation Treasurer reconcile the School Lunch Fund (800) and the PrePaid Fund (8400) in order to stay in compliance.

Anticipated Completion Date: September 1, 2017

FINDING 2016-003

Contact Person Responsible for Corrective Action: Vivian Norman, Corporation Treasurer
Jane Taylor, Director of School Lunch
Contact Phone Number: 765-482-6333

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Corporation will continue to have a company come in to perform an inventory audit every two years and the equipment purchased made from the Child Nutrition Cluster to be denoted as purchases from federal funds. The Director of School Lunch will provide to the Corporation Treasurer a listing of any major purchases every six months so that we can verify that all required purchases have been added to the asset report as federal purchases.

Anticipated Completion Date: October 1, 2017

FINDING 2016-004

Contact Person Responsible for Corrective Action: Vivian Norman, Corporation Treasurer
Jane Taylor, Director of School Lunch

Contact Phone Number: 765-482-6333

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Director of School Lunch and the Corporation Treasurer will work together to insure that the School Corporation verifies that company has not been suspended or debarred prior to going into any contract.

Anticipated Completion Date: October 1, 2017

:

Vivian Norman
(Signature)

Corporation Treasurer
(Title)

10-3-2017
(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/>.