

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

WESTERN SCHOOL CORPORATION  
HOWARD COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
04/06/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pam Carter	07-01-14 to 06-30-18
Superintendent of Schools	Randy McCracken	07-01-14 to 06-30-18
President of the School Board	Linda Singer J. Conrad Maugans Linda Singer	07-01-14 to 12-31-15 01-01-16 to 12-31-17 01-01-18 to 12-31-18



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE WESTERN SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Western School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, 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, 2014 to June 30, 2016.

***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, 2014 to June 30, 2016, 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 February 20, 2018, 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 solely 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 effectiveness of the School Corporation's 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

February 20, 2018



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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 SCHOOL CORPORATION, HOWARD 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 School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated February 20, 2018, 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 2016-001 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**

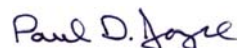
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

**Western 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

February 20, 2018

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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.

WESTERN SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER  
FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 3,390,832	\$ 15,316,443	\$ 14,926,161	\$ (23,805)	\$ 3,757,309	\$ 16,308,236	\$ 15,742,472	\$ (516,100)	\$ 3,806,973
Debt Service	1,499,256	2,654,318	3,051,162	(24,276)	1,078,136	3,005,641	2,846,842	(52,662)	1,184,273
Retirement/Severance Bond Debt Service	170,268	265,787	418,989	-	17,066	262,972	138,875	-	141,163
Capital Projects	521,829	1,344,837	1,423,128	(50,000)	393,538	1,317,744	1,553,172	(22,060)	136,050
School Transportation	330,400	1,025,241	1,078,452	150,140	427,329	1,009,539	1,015,525	(149,992)	271,351
School Bus Replacement	159,502	135,258	199,984	-	94,776	64,787	180,129	-	(20,566)
Rainy Day	1,244,562	-	370,940	260,207	1,133,829	4,128	251,386	823,086	1,709,657
Project 1 - 1.9 Million	-	2,535	1,085,234	1,900,000	817,301	-	659,195	-	158,106
Project 2/\$2,000,000	-	2,000,000	147,500	-	1,852,500	21,299	1,944,409	-	(70,610)
Project 3/\$2,000,000	-	2,012,674	609,527	-	1,403,147	2,105	1,414,337	-	(9,085)
Project 4/\$3,340,000	-	42,837	42,837	-	-	-	-	-	-
School Lunch	343,432	1,174,038	1,154,862	180	362,788	1,140,364	1,192,951	(26,692)	283,509
Textbook Rental	127,101	397,920	403,720	(199,051)	(77,750)	321,904	169,614	68,764	143,304
Levy Excess	-	-	-	55	55	-	-	-	55
Joint Services and Supply - Special Education Cooperative	2,427	-	-	-	2,427	-	-	-	2,427
Child Care Program	1,509	7,761	4,066	-	5,204	6,834	5,150	-	6,888
Educational License Plates	823	300	-	-	1,123	169	-	-	1,292
Alternative Education	5,547	10,050	17,939	-	(2,342)	7,227	20,330	15,445	-
Early Intervention Grant	-	-	-	-	-	-	-	-	-
Donations - PTO	743	-	-	-	743	3	-	-	746
Target Take Charge	-	584	149	-	435	225	-	-	660
Safety Program	-	7,586	3,114	-	4,472	1,765	-	(2,925)	3,312
Technology Surplus	-	-	-	-	-	49	-	-	49
Buddy Bag Program	-	100	125	-	(25)	-	-	25	-
Donations	225	125	-	-	350	4,000	125	(25)	4,200
Donations - Misc	520	-	26	-	494	500	750	-	244
Donations - KASEC	900	500	-	-	1,400	500	551	-	1,349
Employee Breakfast	1	2,250	2,478	-	(227)	2,824	1,888	276	985
E Learning Sponsors	-	1,950	-	-	1,950	338	2,900	612	-
Miscellaneous Programs	174	1,337	882	-	629	1,734	1,899	-	464
Transportation Extra-Curricular	109	-	-	-	109	-	-	-	109
H. Dean Ressler Memorial	101	-	385	308	24	-	384	384	24
Western Wishing Well	478	-	60	136	554	142	515	-	181
GT Grant 13-14	5,744	-	5,744	-	-	-	-	-	-
2015 GT Grant	-	40,010	40,010	-	-	-	-	-	-

WESTERN SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER  
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For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
High Ability Grant 15-16	-	-	-	-	-	39,602	34,696	-	4,906
Secured Schools Safety Grant	-	51,602	46,196	-	5,406	16,894	38,540	-	(16,240)
NESP 14-15	-	1,141	1,141	-	-	-	-	-	-
FY 2015 NESP Grant	-	-	-	-	-	2,752	2,876	-	(124)
School Technology	5,723	9,078	15,600	-	(799)	10,970	12,179	383	(1,625)
Common School	-	-	50,000	50,000	-	-	-	-	-
Performance Based Awards	-	-	-	-	-	-	-	-	-
Child Abuse Prevention	136	-	-	(136)	-	-	-	-	-
Senator David Ford Technology	-	2,000	2,000	-	-	-	-	-	-
Title I 2013-14	(23,578)	112,577	40,059	(48,940)	-	-	-	-	-
Title I 14-15	-	153,057	283,630	48,940	(81,633)	112,501	30,868	-	-
Title I 15-16	-	-	-	-	-	261,989	283,976	-	(21,987)
IDEA	(129)	16,859	16,755	-	(25)	22,517	22,492	-	-
Part B KASEC FY 2012	9	-	-	-	9	-	9	-	-
Part B KASEC FY 2013	(11,663)	25,669	14,006	-	-	-	-	-	-
Part B KASEC FY 2014	(163,661)	1,733,406	1,569,745	-	-	13,154	13,154	-	-
Part B KASEC FY 2015	-	972,750	1,155,570	-	(182,820)	1,534,194	1,360,175	-	(8,801)
Part B KASEC FY 2016	-	-	-	-	-	942,935	1,108,465	-	(165,530)
Special Ed Preschool 2013	(2,376)	7,810	5,437	3	-	-	-	-	-
Preschool	(3,154)	53,601	50,447	-	-	8,218	14,820	6,602	-
2015 Preschool Grant	-	46,721	46,721	-	-	51,110	51,110	-	-
Special Ed Preschool	-	-	-	-	-	54,578	54,578	-	-
2017 Preschool Grant	-	-	-	-	-	-	885	-	(885)
Title II Part A 13-14	(4,827)	23,069	18,242	-	-	-	-	-	-
Title II FY 2014	-	14,479	16,892	-	(2,413)	25,577	23,164	-	-
E Learning Grant	-	267	10,264	-	(9,997)	20,544	9,427	(1,120)	-
Title II FY 2015	-	-	-	-	-	12,790	23,022	-	(10,232)
Prepaid School Accounts	-	-	-	-	-	39,361	-	-	39,361
Payroll Withholdings	82,326	4,108,637	3,863,362	-	327,601	13,664,264	13,669,042	-	322,823
Totals	<u>\$ 7,685,289</u>	<u>\$ 33,777,164</u>	<u>\$ 32,193,541</u>	<u>\$ 2,063,761</u>	<u>\$ 11,332,673</u>	<u>\$ 40,318,979</u>	<u>\$ 43,896,877</u>	<u>\$ 144,001</u>	<u>\$ 7,898,776</u>

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

WESTERN 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 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.

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

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

*E. Disbursements*

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

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

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

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

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

*Debt 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:

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

WESTERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

WESTERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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.

WESTERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016. The School Bus Replacement fund was overdrawn at June 30, 2016, due to buses being purchased in January 2016 before the property tax draw to support the purchase was received. Project 2/\$2,000,000 and Project 3/\$2,000,000 funds were overdrawn at June 30, 2016, due to change orders and adjustments that were corrected with budget entries. The Textbook Rental fund was overdrawn at June 30, 2015, due to insufficient collections of textbook rental fees needed to cover costs.

WESTERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The School Corporation has entered into a capital lease with Western School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2015 and 2016, totaled \$2,726,000 and \$2,645,944, respectively.

**Note 9. *Other Postemployment Benefits***

The School Corporation provides postemployment medical insurance benefits to retirees in accordance with Indiana Code 5-10-8. The benefits pose a liability to the School Corporation. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units 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 SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Project 1 - 1.9 Million	Project 2/ \$2,000,000
Cash and investments - beginning	\$ 3,390,832	\$ 1,499,256	\$ 170,268	\$ 521,829	\$ 330,400	\$ 159,502	\$ 1,244,562	\$ -	\$ -
Receipts:									
Local sources	385,825	2,654,318	265,787	1,337,069	1,024,841	135,258	-	2,535	-
Intermediate sources	3,154	-	-	-	-	-	-	-	-
State sources	14,926,970	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	2,000,000
Other receipts	494	-	-	7,768	400	-	-	-	-
Total receipts	15,316,443	2,654,318	265,787	1,344,837	1,025,241	135,258	-	2,535	2,000,000
Disbursements:									
Instruction	9,512,413	-	-	-	-	-	-	-	-
Support services	5,036,390	-	-	1,009,130	1,078,452	199,984	95,740	284,932	21,500
Noninstructional services	372,348	-	-	-	-	-	-	-	-
Facilities acquisition and construction	5,010	-	-	413,998	-	-	275,200	800,302	126,000
Debt service	-	3,051,162	418,989	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,926,161	3,051,162	418,989	1,423,128	1,078,452	199,984	370,940	1,085,234	147,500
Excess (deficiency) of receipts over disbursements	390,282	(396,844)	(153,202)	(78,291)	(53,211)	(64,726)	(370,940)	(1,082,699)	1,852,500
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	1,900,000	-
Sale of capital assets	156,210	-	-	-	140	-	5,919	-	-
Transfers in	24,276	-	-	-	200,000	-	254,288	-	-
Transfers out	(204,291)	(24,276)	-	(50,000)	(50,000)	-	-	-	-
Total other financing sources (uses)	(23,805)	(24,276)	-	(50,000)	150,140	-	260,207	1,900,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	366,477	(421,120)	(153,202)	(128,291)	96,929	(64,726)	(110,733)	817,301	1,852,500
Cash and investments - ending	\$ 3,757,309	\$ 1,078,136	\$ 17,066	\$ 393,538	\$ 427,329	\$ 94,776	\$ 1,133,829	\$ 817,301	\$ 1,852,500

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Project 3/ \$2,000,000	Project 4/ \$3,340,000	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Special Education Cooperative	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ -	\$ -	\$ 343,432	\$ 127,101	\$ -	\$ 2,427	\$ 1,509	\$ 823
Receipts:								
Local sources	12,674	-	697,797	260,176	-	-	7,761	300
Intermediate sources	-	42,837	7,314	-	-	-	-	-
State sources	-	-	16,890	137,744	-	-	-	-
Federal sources	-	-	452,037	-	-	-	-	-
Temporary loans	2,000,000	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,012,674	42,837	1,174,038	397,920	-	-	7,761	300
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	58,000	-	376,958	403,720	-	-	-	-
Noninstructional services	-	-	776,765	-	-	-	4,066	-
Facilities acquisition and construction	551,527	42,837	1,139	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	609,527	42,837	1,154,862	403,720	-	-	4,066	-
Excess (deficiency) of receipts over disbursements	1,403,147	-	19,176	(5,800)	-	-	3,695	300
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	180	949	55	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(200,000)	-	-	-	-
Total other financing sources (uses)	-	-	180	(199,051)	55	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,403,147	-	19,356	(204,851)	55	-	3,695	300
Cash and investments - ending	\$ 1,403,147	\$ -	\$ 362,788	\$ (77,750)	\$ 55	\$ 2,427	\$ 5,204	\$ 1,123

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	Alternative Education	Early Intervention Grant	Donations - PTO	Target Take Charge	Safety Program	Technology Surplus	Buddy Bag Program	Donations
Cash and investments - beginning	\$ 5,547	\$ -	\$ 743	\$ -	\$ -	\$ -	\$ -	\$ 225
Receipts:								
Local sources	-	-	-	584	7,586	-	100	125
Intermediate sources	-	-	-	-	-	-	-	-
State sources	10,050	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	10,050	-	-	584	7,586	-	100	125
Disbursements:								
Instruction	17,939	-	-	149	-	-	-	-
Support services	-	-	-	-	3,114	-	-	-
Noninstructional services	-	-	-	-	-	-	125	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	17,939	-	-	149	3,114	-	125	-
Excess (deficiency) of receipts over disbursements	(7,889)	-	-	435	4,472	-	(25)	125
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,889)	-	-	435	4,472	-	(25)	125
Cash and investments - ending	\$ (2,342)	\$ -	\$ 743	\$ 435	\$ 4,472	\$ -	\$ (25)	\$ 350

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Donations - Misc	Donations - KASEC	Employee Breakfast	E Learning Sponsors	Miscellaneous Programs	Transportation Extra-Curricular	H. Dean Ressler Memorial	Western Wishing Well
Cash and investments - beginning	\$ 520	\$ 900	\$ 1	\$ -	\$ 174	\$ 109	\$ 101	\$ 478
Receipts:								
Local sources	-	500	2,250	1,950	1,337	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	500	2,250	1,950	1,337	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	2,478	-	104	-	-	60
Noninstructional services	26	-	-	-	778	-	385	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	26	-	2,478	-	882	-	385	60
Excess (deficiency) of receipts over disbursements	(26)	500	(228)	1,950	455	-	(385)	(60)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	308	-
Transfers in	-	-	-	-	-	-	-	136
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	308	136
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26)	500	(228)	1,950	455	-	(77)	76
Cash and investments - ending	\$ 494	\$ 1,400	\$ (227)	\$ 1,950	\$ 629	\$ 109	\$ 24	\$ 554

WESTERN 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

	GT Grant 13-14	2015 GT Grant	High Ability Grant 15-16	Secured Schools Safety Grant	NESP 14-15	FY 2015 NESP Grant	School Technology	Common School
Cash and investments - beginning	\$ 5,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,723	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	329	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	40,010	-	-	1,141	-	8,749	-
Federal sources	-	-	-	51,602	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	40,010	-	51,602	1,141	-	9,078	-
Disbursements:								
Instruction	5,343	39,408	-	-	1,141	-	-	-
Support services	-	-	-	24,385	-	-	15,600	50,000
Noninstructional services	401	602	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	21,811	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	5,744	40,010	-	46,196	1,141	-	15,600	50,000
Excess (deficiency) of receipts over disbursements	(5,744)	-	-	5,406	-	-	(6,522)	(50,000)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	3,165	50,000
Transfers out	-	-	-	-	-	-	(3,165)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	50,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,744)	-	-	5,406	-	-	(6,522)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 5,406	\$ -	\$ -	\$ (799)	\$ -

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	Performance Based Awards	Child Abuse Prevention	Senator David Ford Technology	Title I 2013-14	Title I 14-15	Title I 15-16	IDEA	Part B KASEC FY 2012
Cash and investments - beginning	\$ -	\$ 136	\$ -	\$ (23,578)	\$ -	\$ -	\$ (129)	\$ 9
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	2,000	-	-	-	-	-
Federal sources	-	-	-	112,577	153,057	-	16,859	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	2,000	112,577	153,057	-	16,859	-
Disbursements:								
Instruction	-	-	-	34,541	283,630	-	16,755	-
Support services	-	-	2,000	5,518	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	2,000	40,059	283,630	-	16,755	-
Excess (deficiency) of receipts over disbursements	-	-	-	72,518	(130,573)	-	104	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	48,940	-	-	-
Transfers out	-	(136)	-	(48,940)	-	-	-	-
Total other financing sources (uses)	-	(136)	-	(48,940)	48,940	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(136)	-	23,578	(81,633)	-	104	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (81,633)	\$ -	\$ (25)	\$ 9

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	Part B KASEC FY 2013	Part B KASEC FY 2014	Part B KASEC FY 2015	Part B KASEC FY 2016	Special Ed Preschool 2013	Preschool	2015 Preschool Grant	Special Ed Preschool
Cash and investments - beginning	\$ (11,663)	\$ (163,661)	\$ -	\$ -	\$ (2,376)	\$ (3,154)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	25,669	1,733,406	972,750	-	7,810	53,601	46,721	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	25,669	1,733,406	972,750	-	7,810	53,601	46,721	-
Disbursements:								
Instruction	37,396	844,121	582,762	-	5,437	43,845	46,721	-
Support services	(23,390)	556,622	572,808	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	169,002	-	-	-	6,602	-	-
Total disbursements	14,006	1,569,745	1,155,570	-	5,437	50,447	46,721	-
Excess (deficiency) of receipts over disbursements	11,663	163,661	(182,820)	-	2,373	3,154	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	3	-	-	-
Total other financing sources (uses)	-	-	-	-	3	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,663	163,661	(182,820)	-	2,376	3,154	-	-
Cash and investments - ending	\$ -	\$ -	\$ (182,820)	\$ -	\$ -	\$ -	\$ -	\$ -

WESTERN 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

	2017 Preschool Grant	Title II Part A 13-14	Title II FY 2014	E Learning Grant	Title II FY 2015	Prepaid School Accounts	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (4,827)	\$ -	\$ -	\$ -	\$ -	\$ 82,326	\$ 7,685,289
Receipts:								
Local sources	-	-	-	-	-	-	-	6,799,102
Intermediate sources	-	-	-	-	-	-	-	53,305
State sources	-	-	-	-	-	-	-	15,143,554
Federal sources	-	23,069	14,479	267	-	-	-	3,663,904
Temporary loans	-	-	-	-	-	-	-	4,000,000
Other receipts	-	-	-	-	-	-	4,108,637	4,117,299
Total receipts	-	23,069	14,479	267	-	-	4,108,637	33,777,164
Disbursements:								
Instruction	-	18,242	16,892	-	-	-	-	11,506,735
Support services	-	-	-	10,264	-	-	-	9,784,369
Noninstructional services	-	-	-	-	-	-	-	1,155,496
Facilities acquisition and construction	-	-	-	-	-	-	-	2,237,824
Debt service	-	-	-	-	-	-	-	3,470,151
Nonprogrammed charges	-	-	-	-	-	-	3,863,362	4,038,966
Total disbursements	-	18,242	16,892	10,264	-	-	3,863,362	32,193,541
Excess (deficiency) of receipts over disbursements	-	4,827	(2,413)	(9,997)	-	-	245,275	1,583,623
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	1,900,000
Sale of capital assets	-	-	-	-	-	-	-	163,761
Transfers in	-	-	-	-	-	-	-	580,805
Transfers out	-	-	-	-	-	-	-	(580,805)
Total other financing sources (uses)	-	-	-	-	-	-	-	2,063,761
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,827	(2,413)	(9,997)	-	-	245,275	3,647,384
Cash and investments - ending	\$ -	\$ -	\$ (2,413)	\$ (9,997)	\$ -	\$ -	\$ 327,601	\$ 11,332,673

WESTERN SCHOOL CORPORATION  
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 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Project 1 - 1.9 Million	Project 2/ \$2,000,000
Cash and investments - beginning	\$ 3,757,309	\$ 1,078,136	\$ 17,066	\$ 393,538	\$ 427,329	\$ 94,776	\$ 1,133,829	\$ 817,301	\$ 1,852,500
Receipts:									
Local sources	339,974	3,005,641	262,972	1,317,744	1,009,539	64,787	4,128	-	21,299
Intermediate sources	2,862	-	-	-	-	-	-	-	-
State sources	15,958,285	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	7,115	-	-	-	-	-	-	-	-
Total receipts	16,308,236	3,005,641	262,972	1,317,744	1,009,539	64,787	4,128	-	21,299
Disbursements:									
Instruction	9,948,853	-	-	-	-	-	-	-	-
Support services	5,421,916	-	-	991,262	1,015,525	180,129	223,922	(23,782)	137
Noninstructional services	370,203	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,500	-	-	561,910	-	-	27,464	682,977	1,944,272
Debt service	-	2,846,842	138,875	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,742,472	2,846,842	138,875	1,553,172	1,015,525	180,129	251,386	659,195	1,944,409
Excess (deficiency) of receipts over disbursements	565,764	158,799	124,097	(235,428)	(5,986)	(115,342)	(247,258)	(659,195)	(1,923,110)
Other financing sources (uses):									
Sale of capital assets	113,856	-	-	27,940	8	-	1,315	-	-
Transfers in	33,173	-	-	-	15,000	-	821,771	-	-
Transfers out	(663,129)	(52,662)	-	(50,000)	(165,000)	-	-	-	-
Total other financing sources (uses)	(516,100)	(52,662)	-	(22,060)	(149,992)	-	823,086	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	49,664	106,137	124,097	(257,488)	(155,978)	(115,342)	575,828	(659,195)	(1,923,110)
Cash and investments - ending	\$ 3,806,973	\$ 1,184,273	\$ 141,163	\$ 136,050	\$ 271,351	\$ (20,566)	\$ 1,709,657	\$ 158,106	\$ (70,610)

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Project 3/ \$2,000,000	Project 4/ \$3,340,000	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Special Education Cooperative	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ 1,403,147	\$ -	\$ 362,788	\$ (77,750)	\$ 55	\$ 2,427	\$ 5,204	\$ 1,123
Receipts:								
Local sources	2,105	-	630,335	256,418	-	-	6,834	169
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	18,848	65,486	-	-	-	-
Federal sources	-	-	491,181	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,105	-	1,140,364	321,904	-	-	6,834	169
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	389,058	169,614	-	-	-	-
Noninstructional services	-	-	803,878	-	-	-	5,150	-
Facilities acquisition and construction	1,414,337	-	15	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,414,337	-	1,192,951	169,614	-	-	5,150	-
Excess (deficiency) of receipts over disbursements	(1,412,232)	-	(52,587)	152,290	-	-	1,684	169
Other financing sources (uses):								
Sale of capital assets	-	-	13	102	-	-	-	-
Transfers in	-	-	-	83,662	-	-	-	-
Transfers out	-	-	(26,705)	(15,000)	-	-	-	-
Total other financing sources (uses)	-	-	(26,692)	68,764	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,412,232)	-	(79,279)	221,054	-	-	1,684	169
Cash and investments - ending	\$ (9,085)	\$ -	\$ 283,509	\$ 143,304	\$ 55	\$ 2,427	\$ 6,888	\$ 1,292

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Alternative Education	Early Intervention Grant	Donations - PTO	Target Take Charge	Safety Program	Technology Surplus	Buddy Bag Program	Donations
Cash and investments - beginning	\$ (2,342)	\$ -	\$ 743	\$ 435	\$ 4,472	\$ -	\$ (25)	\$ 350
Receipts:								
Local sources	-	-	-	225	1,765	49	-	4,000
Intermediate sources	-	-	3	-	-	-	-	-
State sources	7,227	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>7,227</u>	<u>-</u>	<u>3</u>	<u>225</u>	<u>1,765</u>	<u>49</u>	<u>-</u>	<u>4,000</u>
Disbursements:								
Instruction	20,330	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	125
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>20,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125</u>
Excess (deficiency) of receipts over disbursements	<u>(13,103)</u>	<u>-</u>	<u>3</u>	<u>225</u>	<u>1,765</u>	<u>49</u>	<u>-</u>	<u>3,875</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	15,445	-	-	-	-	-	25	-
Transfers out	-	-	-	-	(2,925)	-	-	(25)
Total other financing sources (uses)	<u>15,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,925)</u>	<u>-</u>	<u>25</u>	<u>(25)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,342</u>	<u>-</u>	<u>3</u>	<u>225</u>	<u>(1,160)</u>	<u>49</u>	<u>25</u>	<u>3,850</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746</u>	<u>\$ 660</u>	<u>\$ 3,312</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 4,200</u>

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Donations - Misc	Donations - KASEC	Employee Breakfast	E Learning Sponsors	Miscellaneous Programs	Transportation Extra-Curricular	H. Dean Ressler Memorial	Western Wishing Well
Cash and investments - beginning	\$ 494	\$ 1,400	\$ (227)	\$ 1,950	\$ 629	\$ 109	\$ 24	\$ 554
Receipts:								
Local sources	500	500	2,824	338	1,734	-	-	142
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>500</u>	<u>500</u>	<u>2,824</u>	<u>338</u>	<u>1,734</u>	<u>-</u>	<u>-</u>	<u>142</u>
Disbursements:								
Instruction	-	551	-	-	-	-	-	-
Support services	500	-	1,888	2,900	508	-	-	515
Noninstructional services	250	-	-	-	1,391	-	384	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>750</u>	<u>551</u>	<u>1,888</u>	<u>2,900</u>	<u>1,899</u>	<u>-</u>	<u>384</u>	<u>515</u>
Excess (deficiency) of receipts over disbursements	<u>(250)</u>	<u>(51)</u>	<u>936</u>	<u>(2,562)</u>	<u>(165)</u>	<u>-</u>	<u>(384)</u>	<u>(373)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	384	-
Transfers in	-	-	276	725	-	-	-	-
Transfers out	-	-	-	(113)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>276</u>	<u>612</u>	<u>-</u>	<u>-</u>	<u>384</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(250)</u>	<u>(51)</u>	<u>1,212</u>	<u>(1,950)</u>	<u>(165)</u>	<u>-</u>	<u>-</u>	<u>(373)</u>
Cash and investments - ending	<u>\$ 244</u>	<u>\$ 1,349</u>	<u>\$ 985</u>	<u>\$ -</u>	<u>\$ 464</u>	<u>\$ 109</u>	<u>\$ 24</u>	<u>\$ 181</u>

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	GT Grant 13-14	2015 GT Grant	High Ability Grant 15-16	Secured Schools Safety Grant	NESP 14-15	FY 2015 NESP Grant	School Technology	Common School
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5,406	\$ -	\$ -	\$ (799)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	3,185	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	39,602	-	-	2,752	7,785	-
Federal sources	-	-	-	16,894	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	39,602	16,894	-	2,752	10,970	-
Disbursements:								
Instruction	-	-	34,400	-	-	2,876	-	-
Support services	-	-	-	34,970	-	-	12,179	-
Noninstructional services	-	-	296	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	3,570	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	34,696	38,540	-	2,876	12,179	-
Excess (deficiency) of receipts over disbursements	-	-	4,906	(21,646)	-	(124)	(1,209)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	383	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	383	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	4,906	(21,646)	-	(124)	(826)	-
Cash and investments - ending	\$ -	\$ -	\$ 4,906	\$ (16,240)	\$ -	\$ (124)	\$ (1,625)	\$ -

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Performance Based Awards	Child Abuse Prevention	Senator David Ford Technology	Title I 2013-14	Title I 14-15	Title I 15-16	IDEA	Part B KASEC FY 2012
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (81,633)	\$ -	\$ (25)	\$ 9
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	112,501	261,989	22,517	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	112,501	261,989	22,517	-
Disbursements:								
Instruction	-	-	-	-	30,868	282,356	22,492	-
Support services	-	-	-	-	-	1,620	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	9
Total disbursements	-	-	-	-	30,868	283,976	22,492	9
Excess (deficiency) of receipts over disbursements	-	-	-	-	81,633	(21,987)	25	(9)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	81,633	(21,987)	25	(9)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,987)	\$ -	\$ -

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Part B KASEC FY 2013	Part B KASEC FY 2014	Part B KASEC FY 2015	Part B KASEC FY 2016	Special Ed Preschool 2013	Preschool	2015 Preschool Grant	Special Ed Preschool
Cash and investments - beginning	\$ -	\$ -	\$ (182,820)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	13,154	1,534,194	942,935	-	8,218	51,110	54,578
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	13,154	1,534,194	942,935	-	8,218	51,110	54,578
Disbursements:								
Instruction	-	13,154	603,663	580,257	-	8,974	45,749	54,578
Support services	-	-	582,173	528,208	-	-	-	-
Noninstructional services	-	-	34,992	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	139,347	-	-	5,846	5,361	-
Total disbursements	-	13,154	1,360,175	1,108,465	-	14,820	51,110	54,578
Excess (deficiency) of receipts over disbursements	-	-	174,019	(165,530)	-	(6,602)	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	6,602	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	6,602	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	174,019	(165,530)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (8,801)	\$ (165,530)	\$ -	\$ -	\$ -	\$ -

WESTERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	2017 Preschool Grant	Title II Part A 13-14	Title II FY 2014	E Learning Grant	Title II FY 2015	Prepaid School Accounts	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (2,413)	\$ (9,997)	\$ -	\$ -	\$ 327,601	\$ 11,332,673
Receipts:								
Local sources	-	-	-	-	-	-	-	6,937,207
Intermediate sources	-	-	-	-	-	-	-	2,865
State sources	-	-	-	-	-	-	-	16,099,985
Federal sources	-	-	25,577	20,544	12,790	-	-	3,568,182
Other receipts	-	-	-	-	-	39,361	13,664,264	13,710,740
Total receipts	-	-	25,577	20,544	12,790	39,361	13,664,264	40,318,979
Disbursements:								
Instruction	885	-	23,164	-	23,022	-	-	11,696,172
Support services	-	-	-	9,427	-	-	-	9,542,669
Noninstructional services	-	-	-	-	-	-	-	1,216,669
Facilities acquisition and construction	-	-	-	-	-	-	-	4,632,475
Debt service	-	-	-	-	-	-	-	2,989,287
Nonprogrammed charges	-	-	-	-	-	-	13,669,042	13,819,605
Total disbursements	885	-	23,164	9,427	23,022	-	13,669,042	43,896,877
Excess (deficiency) of receipts over disbursements	(885)	-	2,413	11,117	(10,232)	39,361	(4,778)	(3,577,898)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	144,001
Transfers in	-	-	-	-	-	-	-	976,679
Transfers out	-	-	-	(1,120)	-	-	-	(976,679)
Total other financing sources (uses)	-	-	-	(1,120)	-	-	-	144,001
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(885)	-	2,413	9,997	(10,232)	39,361	(4,778)	(3,433,897)
Cash and investments - ending	\$ (885)	\$ -	\$ -	\$ -	\$ (10,232)	\$ 39,361	\$ 322,823	\$ 7,898,776

WESTERN SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 596,689</u>	<u>\$ 2,855,775</u>

WESTERN SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Western School Building Corporation	2010 Qualified School Construction	\$ 193,000	7/15/2011	7/15/2027
Western School Building Corporation	Series 2015A	151,000	6/30/2016	6/30/2028
Western School Building Corporation	Series 2015B	59,000	6/30/2016	6/30/2028
Western School Building Corporation	Series 2015C	59,000	6/30/2016	6/30/2028
Western School Building Corporation	Series 2016	<u>1,679,850</u>	6/30/2016	6/30/2029
Total of annual lease payments		<u>\$ 2,141,850</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	2013 Pension	\$ 760,000	\$ 240,707
General obligation bonds	2014 Building Project, Phase 1	<u>1,615,000</u>	<u>500,967</u>
Totals		<u>\$ 4,054,850</u>	<u>\$ 784,225</u>

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WESTERN SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 1,678,200
Infrastructure	2,600,000
Buildings	91,138,589
Improvements other than buildings	1,220,395
Machinery, equipment, and vehicles	2,942,632
Construction in progress	9,020,542
Books and other	<u>9,752,511</u>
Total capital assets	<u>\$ 118,352,869</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE WESTERN SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

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

We have audited the Western 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, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

***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 item 2016-002. 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.

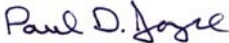
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses 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 2016-002 and 2016-003 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

February 20, 2018

#### 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 SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2015 and 2016

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 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster	Indiana Department of Education	10.553					
School Breakfast Program			FY 2015	\$ -	\$ 69,056	\$ -	\$ -
			FY 2016	-	-	-	84,315
Total - School Breakfast Program				-	69,056	-	84,315
National School Lunch Program	Indiana Department of Education	10.555					
Commodities			FY 2015	-	382,981	-	-
			FY 2016	-	-	-	405,882
			FY 2015	-	76,551	-	-
			FY 2016	-	-	-	74,417
Total - National School Lunch Program				-	459,532	-	480,299
Total - Child Nutrition Cluster			FY 2016	-	528,588	-	564,614
Total - Department of Agriculture				-	528,588	-	564,614
<u>Department of Education</u>							
Special Education Cluster (IDEA)	Indiana Department of Education	84.027					
Special Education_Grants to States			14213-035-PN01	-	2,527	-	-
			14214-035-PN01	-	496,817	-	2,756
			14215-035-PN01	-	203,619	-	321,142
			99915-035-TA01	-	-	-	4,734
			14216-035-PN01	-	-	-	199,793
Total - Special Education_Grants to States				-	702,963	-	528,425
Special Education_Preschool Grants	Indiana Department of Education	84.173					
			45713-35-PN01	-	1,252	-	-
			45714-35-PN01	-	8,487	-	322
			45715-35-PN01	-	7,295	-	967
			45716-35-PN01	-	-	-	14,524
Total - Special Education_Preschool Grants				-	17,034	-	15,813
Total - Special Education Cluster (IDEA)				-	719,997	-	544,238

WESTERN SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2015 and 2016

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 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-3490	-	97,843	-	-
			15-3490	-	167,791	-	149,858
			16-3490	-	-	-	224,632
Total - Title I Grants to Local Educational Agencies				-	265,634	-	374,490
English Language Acquisition State Grants	Indiana Department of Education	84.365A	0115-110-PN01	-	1,901	-	938
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	13-3490	-	23,069	-	-
			14-3490	-	14,746	-	46,121
			15-3490	-	-	-	12,790
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	37,815	-	58,911
Total - Department of Education				-	1,025,347	-	978,577
Total federal awards expended				\$ -	\$ 1,553,935	\$ -	\$ 1,543,191

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

WESTERN SCHOOL COPORATION  
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, 2015 and 2016. 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. *Kokomo Area Special Education Cooperative (KASPEC)***

The School Corporation is a member of the Kokomo Area Special Education Cooperative and serves as the fiscal agent for it. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

WESTERN SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

\_\_\_\_\_  
Name of Federal Program or Cluster

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**

**FINDING 2016-001**

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

*Repeat Finding:*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-001.

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

*Condition*

The School Corporation had not established and implemented an effective system of internal controls to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which is the source of the SEFA. One employee prepared and submitted the grant information without an oversight or review process to detect and correct errors before submission.

*Context*

The lack of internal controls was a systemic issue throughout the audit period. The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were understated by \$145,607 for the 2015 fiscal year and understated by \$58,040 for the 2016 fiscal year.
2. The Special Education Cluster (IDEA) expenditures were overstated by \$4,532,458 for the 2015 fiscal year.
3. The Title I Grants to Local Educational Agencies expenditures were overstated by \$17,996 for 2015 fiscal year.
4. The English Language Acquisition State Grants were omitted for the 2015 and 2016 fiscal years.
5. The Improving Teacher Quality State Grants were omitted for the 2015 fiscal year. Additionally, expenditures were overstated by \$46,121 for the 2016 fiscal year.

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

*Criteria*

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

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

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

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

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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes:

- Accurate and timely recording of transactions. . . ."

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. . . ."

*Cause*

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

*Effect*

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

*Views of Responsible Officials*

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

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

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

**FINDING 2016-002**

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): FY 2015, FY 2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management compliance requirement. The School Corporation did not monitor the net cash resources of the School Lunch fund to ensure that the amount did not exceed the average expenditures for three months.

*Context*

The average expenditures for three months during the 2015 and 2016 fiscal years were \$346,459 and \$357,885 respectively. The net cash resources of the School Lunch fund exceeded these amounts for 20 of the 24 months within 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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)."

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

7 CFR 220.7(e)(1)(iv) states in part: "Limit its net cash resources 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;. . . ."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 and comply with the Cash Management compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2016-003**

Subject: Child Nutrition Cluster - Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Audit Finding: Material Weakness

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Eligibility, Reporting, and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

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

*Eligibility*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that free and reduced price meal applications were accurately evaluated for eligibility. The application information was entered into the food service software, which automatically made the eligibility determination dependent on the information entered. There was no oversight or review to ensure that the information entered into the food service software was accurate.

*Reporting*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that all the required reports were accurately prepared and submitted. The Food Service Director prepared and submitted the Monthly Sponsor Claim (claim for reimbursement), the Annual Financial Reports, and the School Food Authority (SFA) Verification Collection Reports without a proper system of oversight or review.

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

The School Corporation had not designed or implemented adequate policies or procedures to ensure the verifications were performed and determinations were made accurately. The Food Service Director performed the verifications of free and reduced price meal applications and made the determination of whether or not a change in eligibility was necessary without a proper system of oversight or review.

*Context*

The lack of internal controls was a systemic issue 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

*Cause*

The School Corporation had not developed a system of internal controls that would have segregated key functions related to the Eligibility, Reporting, and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) 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 compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) 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 DOCUMENTS

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

SCHOOL BOARD

LINDA S. SINGER—PRESIDENT  
SCOTT E. GASKINS—VICE PRESIDENT  
DONNA J. SHEPHERD—SECRETARY  
HARRY L. KENWORTHY—MEMBER  
MICHAEL J. KOLOSZAR—MEMBER  
J. CONRAD MAUGANS — MEMBER  
DONALD L. WELLS—MEMBER



To Educate and Inspire Today's Students  
for Tomorrow's Opportunities

RANDY McCracken—SUPERINTENDENT  
HEATHER HENDRICH—ASSISTANT SUPERINTENDENT  
PAM CARTER—DIRECTOR OF FINANCE  
CRAIG SHEARER—DIRECTOR OF TECHNOLOGY  
LISSA STRANAHAN—DIRECTOR OF EXCEPTIONAL  
LEARNERS & TESTING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2014-001 – Preparation of the Schedule of Expenditures of Federal Awards**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A  
Contact Person Responsible for Corrective Action: Pam Carter  
Contact Phone Number: 765-883-1453

Status of Audit Finding: We are now reporting the Schedule of Expenditures of Federal Awards by district. The commodities are being reported under the National School Lunch Program.

**FINDING 2014-002 – Allowable Costs/Cost Principles**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Education  
Contact Person Responsible for Corrective Action: Suzie Reagle  
Contact Phone Number: 765-883-1487

Status of Audit Finding: Controls were in place for the 2014-15 school year and remain in place. The maintenance of documentation continues as required

  
\_\_\_\_\_  
(Signature)  
Director of Finance

\_\_\_\_\_  
Title  
January 11, 2017

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

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

**WESTERN SCHOOL CORPORATION**

EQUAL OPPORTUNITY EMPLOYER

2600 SOUTH 600 WEST • RUSSIAVILLE, INDIANA 46979-0247 • PHONE 765-883-5576 • FAX 765-883-7946

Prospective employees will receive consideration without discrimination of race, creed, color, sex, age, national origin, handicap or veteran status

SCHOOL BOARD  
LINDA S. SINGER—PRESIDENT  
SCOTT E. GASKINS—VICE PRESIDENT  
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LISSA STRANAHAN—DIRECTOR OF EXCEPTIONAL  
LEARNERS & TESTING

## CORRECTIVE ACTION PLAN

### **FEDERAL FINDING 2016-001 PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.**

Contact Person Responsible for Corrective Action: Pam Carter, Director of Finance  
Contact Phone Number: (765) 883-1453

Views of Responsible Official:

We concur with findings.

Description of Corrective Action Plan:

The SEFA is still a continual learning process for the Business Office. After this audit I have a better understanding of all grants that should be submitted. I also understand that breakfast and lunch should be separated in the reporting. We will put into place a better internal control on this by either the Deputy Treasurer of the Superintendent will review the SEFA before it is submitted.

Anticipated Completion Date: Immediate

### **FEDERAL FINDING 2016-002 CHILD NUTRITION CLUSTER – CASH MANAGEMENT**

Contact Person Responsible for Corrective Action: Emily Klingler, Director of Food Service  
Contact Phone Number (765) 883-1462

Views of Responsible Official:

We concur with findings.

Description of Corrective Action Plan:

The net cash resources in the School Lunch fund will be monitored by the Director of Food Service and Director of Finance to ensure the fund does not exceed three months' average expenditures.

Anticipated Completion Date: Immediate

## **WESTERN SCHOOL CORPORATION**

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**FEDERAL FINDING 2016-003**  
**CHILD NUTRITION CLUSTER – ELIGIBILITY, REPORTING, SPECIAL TESTS AND PROVISIONS**

Contact Person Responsible for Corrective Actions: Emily Klingler, Director of Food Service  
Contact Phone Number (765) 883-1462

Views of Responsible Official:

We concur with findings.

Description of Corrective Action Plan:

Regarding *Eligibility*, beginning with the 2016-2017 school year, the Food Service Department put in place a policy to conduct a second audit of all free and reduced price meal applications. The Secretary to the Director of Food Service is responsible for auditing every fifth application processed in order to determine that the initial eligibility determination made by the Director of Food Service is accurate.

Regarding *Reporting*, beginning with the 2016-2017 school year, the Secretary to the Director of Food Service began reviewing & signing off on all Monthly Sponsor Claims for Reimbursement prepared by the Director of Food Service to ensure accuracy before the Claim was submitted to the State for approval. In addition, beginning with the 2018-2019 school year, the Director of Food Service will submit the Annual Financial Report to the Director of Finance for review to ensure it has been accurately prepared before submitting it to the State for approval.

Regarding *Special Tests and Provisions-Verification of Free and Reduced Price Applications*, beginning with the 2018-2019 school year, the Secretary to the Director of Food Service will review the Verification process that is completed yearly by the Director of Food Service to ensure determinations and/or changes in eligibility are accurate. She will also sign off on the Verification Summary Report before it is submitted to the State for approval.

#### 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/>.