

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WARSAW COMMUNITY SCHOOLS
KOSCIUSKO COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
04/12/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Erica M. Purvis April F. Fitterling	01-01-14 to 08-14-16 08-15-16 to 12-31-18
Superintendent of Schools	Dr. David A. Hoffert	07-01-14 to 06-30-18
President of the School Board	Jennifer K. Tandy Heather Reichenbach	01-01-14 to 12-31-16 01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WARSAW COMMUNITY SCHOOLS, KOSCIUSKO COUNTY, INDIANA

Report on the Financial Statement

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

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 March 21, 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

March 21, 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 WARSAW COMMUNITY SCHOOLS, KOSCIUSKO 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 Warsaw Community Schools (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 March 21, 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

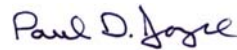
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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.

Warsaw Community Schools' Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 21, 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.

WARSAW COMMUNITY SCHOOLS
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			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-14	Receipts	Disbursements		06-30-15	Receipts	Disbursements		
General	\$ 4,530,945	\$ 46,741,289	\$ 46,357,605	\$ (355,686)	\$ 4,558,943	\$ 47,039,899	\$ 45,809,939	\$ (596,666)	\$ 5,192,237
Debt Service	4,971,991	8,534,533	8,186,232	(160,206)	5,160,086	8,487,557	8,186,779	(169,546)	5,291,318
Retirement/Severance Bond Debt Service	309,805	526,582	537,938	-	298,449	483,653	507,459	-	274,643
Referendum Debt Exempt Capital	-	-	-	-	-	1,204,955	900,000	-	304,955
Capital Projects	1,575,705	6,652,211	6,249,581	-	1,978,335	6,686,739	6,527,502	-	2,137,572
School Transportation	850,072	2,951,010	2,774,499	-	1,026,583	3,036,096	2,644,048	847	1,419,478
School Bus Replacement	359,267	616,177	597,483	-	377,961	634,272	605,629	-	406,604
Rainy Day	2,894,216	-	-	-	2,894,216	-	99,370	-	2,794,846
Construction	77,673	364,732	379,850	-	62,555	702,747	1,781,763	6,993,526	5,977,065
School Lunch	1,475,458	3,495,080	3,382,956	-	1,587,582	3,517,329	3,303,586	-	1,801,325
Textbook Rental	(491,922)	808,448	332,465	160,206	144,267	807,873	597,667	169,546	524,019
Self-Insurance	5,833,325	7,160,309	8,711,597	-	4,282,037	8,165,252	8,831,966	300,000	3,915,323
Levy Excess	-	847	-	-	847	-	-	(847)	-
Joint Services and Supply - Special Education Cooperative	322,229	-	9,759	(17,609)	294,861	768	10,733	(9,635)	275,261
WCS Joint Service	(594)	-	19,729	17,609	(2,714)	-	6,921	9,635	-
Alternative Education	(15,923)	59,965	354,727	355,686	45,001	52,202	324,618	296,666	69,251
Early Intervention Grant	-	-	-	-	-	17,030	-	-	17,030
Time Technology Integration	2,888	-	2,888	-	-	-	-	-	-
Adult and Continuing Education	233,267	-	-	-	233,267	159	-	-	233,426
Extra-Curricular Activities	(5,462)	46,355	44,433	-	(3,540)	36,705	35,487	-	(2,322)
Transportation Fire 2016	-	-	-	-	-	1,512,426	407,150	-	1,105,276
Driver's Ed	39,697	20,642	22,422	-	37,917	31,108	20,827	-	48,198
In/Out	110,352	440,122	411,910	-	138,564	470,331	318,196	-	290,699
Vocational	51,800	11,119	(8,162)	-	71,081	6,215	5,750	-	71,546
Literacy	2,092	-	1,572	-	520	-	-	-	520
Spec Education In/Out	12,520	15,819	9,126	-	19,213	2,314	391	-	21,136
DEKKO Stem Grant	25,914	-	-	-	25,914	4,500	808	-	29,606
Redefining Excellence Award	9,601	-	567	-	9,034	-	9,034	-	-
Medtronic STEM Grant	13,127	-	4,891	-	8,236	-	1,648	-	6,588
K Countdown United Way Grant	(3,932)	17,500	14,612	-	(1,044)	16,944	16,708	-	(808)
Orthoworx STEM Grant	34,339	-	24,757	-	9,582	-	2,196	-	7,386
e3 Tech Conference	13,642	17,300	15,747	-	15,195	8,736	7,500	-	16,431
Kos Com Foundation STEM Grant	205,008	-	100,151	-	104,857	-	5,850	-	99,007
iPad Protection Fund	-	6,150	550	-	5,600	24,827	7,982	-	22,445
Formative Assessment	-	-	-	-	-	57,252	57,252	-	-
High Ability Grant 2013-2014	12,157	-	12,157	-	-	-	-	-	-
High Ability Grant 2014-2015	-	52,839	27,011	-	25,828	-	25,828	-	-
High Ability Grant 2015-2016	-	-	-	-	-	55,206	23,903	-	31,303
Secured Schools Safety Grant	-	50,000	50,000	-	-	25,000	25,000	-	-
Non-English Speaking Program	3,780	-	3,780	-	-	-	-	-	-
NESP Grant 2014-15	-	71,914	51,338	-	20,576	-	20,576	-	-
NESP Grant 2015-16	-	-	-	-	-	140,645	102,554	-	38,091
School Technology	(9,492)	82,304	75,534	-	(2,722)	89,885	14,975	-	72,188
State Connectivity Grant	3,107	4,713	-	-	7,820	4,404	8,480	-	3,744
Performance Based Awards	-	435,000	435,000	-	-	-	-	-	-

WARSAW COMMUNITY SCHOOLS
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
School Performance Award	-	291,055	281,049	-	10,006	177,615	187,621	-	-
Indiana School Academic Improvement Program (ISAIP)	-	-	-	-	-	-	7,100	-	(7,100)
Miscellaneous Programs	-	158,931	322,421	-	(163,490)	191,069	27,579	-	-
Dual Language Immersion	-	-	-	-	-	15,787	15,940	-	(153)
Title I 2013-2014	(127,227)	592,605	465,378	-	-	-	-	-	-
Title I 2014-2015	-	840,610	973,303	-	(132,693)	291,776	159,083	-	-
Title I 2015-2016	-	-	-	-	-	876,513	1,001,336	-	(124,823)
Title I School Improvement Grant	-	-	-	-	-	4,541	8,216	-	(3,675)
IDEA Technical Assistance Grant	717	28,854	29,571	-	-	14,363	14,363	-	-
IDEA Part B 2012-2013	867	103,443	104,310	-	-	-	-	-	-
IDEA Part B 2013-2014	(30,903)	825,311	794,408	-	-	134,128	134,128	-	-
IDEA Part B 2014-2015	-	1,120,962	1,287,265	-	(166,303)	269,555	114,310	-	(11,058)
IDEA Part B 2015-2017	-	-	-	-	-	1,136,573	1,304,645	-	(168,072)
IDEA Preschool 2012-2013	195	1,503	1,698	-	-	-	-	-	-
IDEA Preschool 2013-2014	(1,395)	21,349	19,954	-	-	5,942	5,942	-	-
IDEA Preschool 2014-2015	-	24,952	32,438	-	(7,486)	8,961	1,771	-	(296)
IDEA Preschool 2015-2016	-	-	-	-	-	26,550	32,788	-	(6,238)
Adult Ed 2013 - 2014	(56,444)	122,603	66,159	-	-	-	-	-	-
Adult Ed 2014 - 2015	-	266,084	319,331	-	(53,247)	114,792	61,545	-	-
Adult Ed 2015 - 2016	-	-	-	-	-	229,194	326,650	-	(97,456)
Vocational and Technology Board Grants	-	78,914	80,167	-	(1,253)	35,888	34,635	-	-
Carl Perkins 2015-16	-	-	-	-	-	79,851	92,843	-	(12,992)
Carl Perkins 2013-14	-	34,423	34,423	-	-	-	-	-	-
Carl Perkins Rural Grant 2015	-	-	-	-	-	100,000	100,000	-	-
Medicaid Reimbursement - Federal	103,453	118,176	91,710	-	129,919	246,939	69,707	-	307,151
Title II Part A 2013-2014	615	103,563	104,178	-	-	-	-	-	-
Title II 2014-15	-	67,951	78,205	-	(10,254)	95,074	84,820	-	-
Title II 2014-16	-	-	-	-	-	132,268	134,333	-	(2,065)
MSP Language of STEM Grant	-	-	-	-	-	209,526	214,259	-	(4,733)
Title II MSP Grant 2013-2014	(58)	171,697	171,848	-	(209)	198,887	198,678	-	-
Title II Elearning Grant	(1,500)	16,000	14,500	-	-	14,000	26,321	-	(12,321)
Title III 2012-2013	(4,658)	19,307	14,649	-	-	-	-	-	-
Title III 2013-2014	(31,806)	47,942	16,136	-	-	2,997	2,997	-	-
Title III 2014-2015	-	63,256	65,786	-	(2,530)	54,958	53,430	-	(1,002)
Title III 2015-2017	-	-	-	-	-	54,016	55,593	-	(1,577)
Title III WIDA 2013-14	-	2,961	2,961	-	-	-	-	-	-
Prepaid Lunch	67,186	1,250,465	1,244,170	-	73,481	1,226,308	1,213,417	-	86,372
Payroll Clearing	3,961	50,460,058	50,482,932	-	(18,913)	50,202,093	50,181,579	-	1,601
Totals	\$ 23,369,655	\$ 136,015,935	\$ 136,293,655	\$ -	\$ 23,091,935	\$ 139,473,193	\$ 137,121,704	\$ 6,993,526	\$ 32,436,950

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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

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

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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

WARSAW COMMUNITY SCHOOLS
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.

WARSAW COMMUNITY SCHOOLS
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. Negative Disbursement

The financial statement contains a disbursement which appears as a negative entry. This is a result of a credit being received or a correction being made to the fund.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. For most funds, this is a result of expenditures being made prior to the receipt of reimbursable grant funds.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporations*

The School Corporation has entered into three separate capital leases for the 2007 Multi-School Improvements, the 2008 Multi-School Improvements and the 2015 Multi School Improvements with the Warsaw Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the 2015 lease did not begin until 2016. Lease payments during the school year 2015 totaled \$3,499,000 and \$4,388,500; and during 2016 totaled \$3,504,000, \$4,389,500, and \$900,000, respectively.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees the following benefits: Consolidated Omnibus Budget Reconciliation Act (COBRA). These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

Note 11. *Special Education Cooperative*

The School Corporation is a member of a Special Education Cooperative and served as the fiscal agent for it through June 30, 2014. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement in the first few months of the fiscal year 2015 is not presented on the Schedule of Expenditures of Federal Awards for 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 4,530,945	\$ 4,971,991	\$ 309,805	\$ -	\$ 1,575,705	\$ 850,072	\$ 359,267
Receipts:							
Local sources	1,118,026	8,534,533	526,582	-	6,652,211	2,951,010	616,177
Intermediate sources	447	-	-	-	-	-	-
State sources	45,622,085	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	731	-	-	-	-	-	-
Total receipts	46,741,289	8,534,533	526,582	-	6,652,211	2,951,010	616,177
Disbursements:							
Instruction	30,737,234	-	-	-	-	-	-
Support services	15,145,923	-	-	-	3,501,310	2,774,499	597,483
Noninstructional services	390,754	-	-	-	-	-	-
Facilities acquisition and construction	76,994	-	-	-	2,748,271	-	-
Debt services	-	8,186,232	537,938	-	-	-	-
Nonprogrammed charges	6,700	-	-	-	-	-	-
Total disbursements	46,357,605	8,186,232	537,938	-	6,249,581	2,774,499	597,483
Excess (deficiency) of receipts over disbursements	383,684	348,301	(11,356)	-	402,630	176,511	18,694
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(355,686)	(160,206)	-	-	-	-	-
Total other financing sources (uses)	(355,686)	(160,206)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,998	188,095	(11,356)	-	402,630	176,511	18,694
Cash and investments - ending	\$ 4,558,943	\$ 5,160,086	\$ 298,449	\$ -	\$ 1,978,335	\$ 1,026,583	\$ 377,961

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

	Rainy Day	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative
Cash and investments - beginning	\$ 2,894,216	\$ 77,673	\$ 1,475,458	\$ (491,922)	\$ 5,833,325	\$ -	\$ 322,229
Receipts:							
Local sources	-	364,732	1,268,432	543,807	7,160,309	847	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	156,078	264,641	-	-	-
Federal sources	-	-	2,070,120	-	-	-	-
Other receipts	-	-	450	-	-	-	-
Total receipts	-	364,732	3,495,080	808,448	7,160,309	847	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	12,556	332,465	-	-	9,759
Noninstructional services	-	-	2,952,121	-	-	-	-
Facilities acquisition and construction	-	379,850	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	418,279	-	8,711,597	-	-
Total disbursements	-	379,850	3,382,956	332,465	8,711,597	-	9,759
Excess (deficiency) of receipts over disbursements	-	(15,118)	112,124	475,983	(1,551,288)	847	(9,759)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	160,206	-	-	-
Transfers out	-	-	-	-	-	-	(17,609)
Total other financing sources (uses)	-	-	-	160,206	-	-	(17,609)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(15,118)	112,124	636,189	(1,551,288)	847	(27,368)
Cash and investments - ending	\$ 2,894,216	\$ 62,555	\$ 1,587,582	\$ 144,267	\$ 4,282,037	\$ 847	\$ 294,861

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

	WCS Joint Service	Alternative Education	Early Intervention Grant	Time Technology Integration	Adult and Continuing Education	Extra- Curricular Activities	Transportation Fire 2016
Cash and investments - beginning	\$ (594)	\$ (15,923)	\$ -	\$ 2,888	\$ 233,267	\$ (5,462)	\$ -
Receipts:							
Local sources	-	-	-	-	-	46,355	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	59,965	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	59,965	-	-	-	46,355	-
Disbursements:							
Instruction	18,907	354,727	-	-	-	44,433	-
Support services	822	-	-	2,888	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	19,729	354,727	-	2,888	-	44,433	-
Excess (deficiency) of receipts over disbursements	(19,729)	(294,762)	-	(2,888)	-	1,922	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	17,609	355,686	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	17,609	355,686	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,120)	60,924	-	(2,888)	-	1,922	-
Cash and investments - ending	\$ (2,714)	\$ 45,001	\$ -	\$ -	\$ 233,267	\$ (3,540)	\$ -

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

	Driver's Ed	In/ Out	Vocational	Literacy	Spec Education In/ Out	DEKKO Stem Grant	Redefining Excellence Award
Cash and investments - beginning	\$ 39,697	\$ 110,352	\$ 51,800	\$ 2,092	\$ 12,520	\$ 25,914	\$ 9,601
Receipts:							
Local sources	20,642	390,734	11,119	-	15,091	-	-
Intermediate sources	-	469	-	-	-	-	-
State sources	-	48,919	-	-	728	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	20,642	440,122	11,119	-	15,819	-	-
Disbursements:							
Instruction	22,097	149,472	(8,162)	1,572	963	-	-
Support services	325	255,810	-	-	8,163	-	567
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	6,628	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	22,422	411,910	(8,162)	1,572	9,126	-	567
Excess (deficiency) of receipts over disbursements	(1,780)	28,212	19,281	(1,572)	6,693	-	(567)
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	(1,780)	28,212	19,281	(1,572)	6,693	-	(567)
Cash and investments - ending	\$ 37,917	\$ 138,564	\$ 71,081	\$ 520	\$ 19,213	\$ 25,914	\$ 9,034

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

	Medtronic STEM Grant	K Countdown United Way Grant	Orthoworx STEM Grant	e3 Tech Conference	Kos Com Foundation STEM Grant	iPad Protection Fund	Formative Assessment
Cash and investments - beginning	\$ 13,127	\$ (3,932)	\$ 34,339	\$ 13,642	\$ 205,008	\$ -	\$ -
Receipts:							
Local sources	-	17,500	-	17,300	-	5,850	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	300	-
Total receipts	-	17,500	-	17,300	-	6,150	-
Disbursements:							
Instruction	-	14,612	3,651	-	147	-	-
Support services	4,891	-	16,717	15,747	22,004	550	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	4,389	-	78,000	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	4,891	14,612	24,757	15,747	100,151	550	-
Excess (deficiency) of receipts over disbursements	(4,891)	2,888	(24,757)	1,553	(100,151)	5,600	-
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	(4,891)	2,888	(24,757)	1,553	(100,151)	5,600	-
Cash and investments - ending	\$ 8,236	\$ (1,044)	\$ 9,582	\$ 15,195	\$ 104,857	\$ 5,600	\$ -

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

	High Ability Grant 2013-2014	High Ability Grant 2014-2015	High Ability Grant 2015-16	Secured Schools Safety Grant	Non-English Speaking Program	NESP Grant 2014-15	NESP Grant 2015-16
Cash and investments - beginning	\$ 12,157	\$ -	\$ -	\$ -	\$ 3,780	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	52,839	-	50,000	-	71,914	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	52,839	-	50,000	-	71,914	-
Disbursements:							
Instruction	11,012	27,011	-	-	2,246	48,037	-
Support services	1,145	-	-	-	1,534	3,301	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	50,000	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	12,157	27,011	-	50,000	3,780	51,338	-
Excess (deficiency) of receipts over disbursements	(12,157)	25,828	-	-	(3,780)	20,576	-
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	(12,157)	25,828	-	-	(3,780)	20,576	-
Cash and investments - ending	\$ -	\$ 25,828	\$ -	\$ -	\$ -	\$ 20,576	\$ -

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

	School Technology	State Connectivity Grant	Performance Based Awards	School Performance Award	Indiana School Academic Improvement Program (ISAIP)	Miscellaneous Programs	Dual Language Immersion
Cash and investments - beginning	\$ (9,492)	\$ 3,107	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	82,304	4,713	435,000	291,055	-	158,931	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	82,304	4,713	435,000	291,055	-	158,931	-
Disbursements:							
Instruction	-	-	435,000	281,049	-	322,421	-
Support services	50,534	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	25,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	75,534	-	435,000	281,049	-	322,421	-
Excess (deficiency) of receipts over disbursements	6,770	4,713	-	10,006	-	(163,490)	-
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	6,770	4,713	-	10,006	-	(163,490)	-
Cash and investments - ending	\$ (2,722)	\$ 7,820	\$ -	\$ 10,006	\$ -	\$ (163,490)	\$ -

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

	Title I 2013-2014	Title I 2014-2015	Title I 2015-2016	Title I School Improvement Grant	IDEA Technical Assistance Grant	IDEA Part B 2012-2013	IDEA Part B 2013-2014
Cash and investments - beginning	\$ (127,227)	\$ -	\$ -	\$ -	\$ 717	\$ 867	\$ (30,903)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	592,605	840,610	-	-	28,854	103,443	825,311
Other receipts	-	-	-	-	-	-	-
Total receipts	592,605	840,610	-	-	28,854	103,443	825,311
Disbursements:							
Instruction	333,570	849,625	-	-	19,315	64,365	794,598
Support services	50,292	63,036	-	-	10,256	39,945	(190)
Noninstructional services	81,516	60,642	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	465,378	973,303	-	-	29,571	104,310	794,408
Excess (deficiency) of receipts over disbursements	127,227	(132,693)	-	-	(717)	(867)	30,903
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	127,227	(132,693)	-	-	(717)	(867)	30,903
Cash and investments - ending	\$ -	\$ (132,693)	\$ -	\$ -	\$ -	\$ -	\$ -

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

	IDEA Part B 2014-2015	IDEA Part B 2015-2017	IDEA Preschool 2012-2013	IDEA Preschool 2013-2014	IDEA Preschool 2014-2015	IDEA Preschool 2015-2016	Adult Ed 2013-2014
Cash and investments - beginning	\$ -	\$ -	\$ 195	\$ (1,395)	\$ -	\$ -	\$ (56,444)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	83,331
Federal sources	1,120,962	-	1,503	21,349	24,952	-	39,272
Other receipts	-	-	-	-	-	-	-
Total receipts	1,120,962	-	1,503	21,349	24,952	-	122,603
Disbursements:							
Instruction	547,852	-	1,698	19,954	32,438	-	52,912
Support services	739,413	-	-	-	-	-	13,247
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,287,265	-	1,698	19,954	32,438	-	66,159
Excess (deficiency) of receipts over disbursements	(166,303)	-	(195)	1,395	(7,486)	-	56,444
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	(166,303)	-	(195)	1,395	(7,486)	-	56,444
Cash and investments - ending	\$ (166,303)	\$ -	\$ -	\$ -	\$ (7,486)	\$ -	\$ -

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

	Adult Ed 2014-2015	Adult Ed 2015-2016	Vocational and Technology Board Grants	Carl Perkins 2015-2016	Carl Perkins 2013-2014	Carl Perkins Rural Grant 2015	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,453
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	190,862	-	-	-	-	-	56,192
Federal sources	75,222	-	78,914	-	34,423	-	61,984
Other receipts	-	-	-	-	-	-	-
Total receipts	266,084	-	78,914	-	34,423	-	118,176
Disbursements:							
Instruction	287,065	-	80,167	-	34,423	-	79,362
Support services	32,266	-	-	-	-	-	12,348
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	319,331	-	80,167	-	34,423	-	91,710
Excess (deficiency) of receipts over disbursements	(53,247)	-	(1,253)	-	-	-	26,466
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	(53,247)	-	(1,253)	-	-	-	26,466
Cash and investments - ending	\$ (53,247)	\$ -	\$ (1,253)	\$ -	\$ -	\$ -	\$ 129,919

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

	Title II Part A 2013-2014	Title II 2014-2015	Title II 2014-2016	MSP Language of STEM Grant	Title II MSP Grant 2013-2014	Title II Elearning Grant	Title III 2012-2013
Cash and investments - beginning	\$ 615	\$ -	\$ -	\$ -	\$ (58)	\$ (1,500)	\$ (4,658)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	103,563	67,951	-	-	171,697	16,000	19,307
Other receipts	-	-	-	-	-	-	-
Total receipts	103,563	67,951	-	-	171,697	16,000	19,307
Disbursements:							
Instruction	-	-	-	-	-	-	14,649
Support services	104,178	78,205	-	-	171,848	14,500	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	104,178	78,205	-	-	171,848	14,500	14,649
Excess (deficiency) of receipts over disbursements	(615)	(10,254)	-	-	(151)	1,500	4,658
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	(615)	(10,254)	-	-	(151)	1,500	4,658
Cash and investments - ending	\$ -	\$ (10,254)	\$ -	\$ -	\$ (209)	\$ -	\$ -

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

	Title III 2013-2014	Title III 2014-2015	Title III 2015-2017	Title III WIDA 2013-2014	Prepaid Lunch	Payroll Clearing	Totals
Cash and investments - beginning	\$ (31,806)	\$ -	\$ -	\$ -	\$ 67,186	\$ 3,961	\$ 23,369,655
Receipts:							
Local sources	-	-	-	-	-	-	30,261,257
Intermediate sources	-	-	-	-	-	-	916
State sources	-	-	-	-	-	-	47,629,557
Federal sources	47,942	63,256	-	2,961	-	-	6,412,201
Other receipts	-	-	-	-	1,250,465	50,460,058	51,712,004
Total receipts	47,942	63,256	-	2,961	1,250,465	50,460,058	136,015,935
Disbursements:							
Instruction	17,309	61,867	-	2,961	-	-	35,760,559
Support services	(1,173)	3,919	-	-	-	-	24,091,083
Noninstructional services	-	-	-	-	-	-	3,485,033
Facilities acquisition and construction	-	-	-	-	-	-	3,369,132
Debt services	-	-	-	-	-	-	8,724,170
Nonprogrammed charges	-	-	-	-	1,244,170	50,482,932	60,863,678
Total disbursements	16,136	65,786	-	2,961	1,244,170	50,482,932	136,293,655
Excess (deficiency) of receipts over disbursements	31,806	(2,530)	-	-	6,295	(22,874)	(277,720)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	533,501
Transfers out	-	-	-	-	-	-	(533,501)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,806	(2,530)	-	-	6,295	(22,874)	(277,720)
Cash and investments - ending	\$ -	\$ (2,530)	\$ -	\$ -	\$ 73,481	\$ (18,913)	\$ 23,091,935

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 4,558,943	\$ 5,160,086	\$ 298,449	\$ -	\$ 1,978,335	\$ 1,026,583	\$ 377,961
Receipts:							
Local sources	1,200,784	8,487,557	483,653	1,204,955	6,686,739	3,036,096	634,272
Intermediate sources	447	-	-	-	-	-	-
State sources	45,828,826	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	9,842	-	-	-	-	-	-
Total receipts	47,039,899	8,487,557	483,653	1,204,955	6,686,739	3,036,096	634,272
Disbursements:							
Instruction	30,233,667	-	-	-	-	-	-
Support services	15,084,258	-	-	-	3,755,341	2,644,048	605,629
Noninstructional services	417,726	-	-	-	-	-	-
Facilities acquisition and construction	67,588	-	-	-	2,772,161	-	-
Debt services	-	8,186,779	507,459	900,000	-	-	-
Nonprogrammed charges	6,700	-	-	-	-	-	-
Total disbursements	45,809,939	8,186,779	507,459	900,000	6,527,502	2,644,048	605,629
Excess (deficiency) of receipts over disbursements	1,229,960	300,778	(23,806)	304,955	159,237	392,048	28,643
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	847	-
Transfers out	(596,666)	(169,546)	-	-	-	-	-
Total other financing sources (uses)	(596,666)	(169,546)	-	-	-	847	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	633,294	131,232	(23,806)	304,955	159,237	392,895	28,643
Cash and investments - ending	\$ 5,192,237	\$ 5,291,318	\$ 274,643	\$ 304,955	\$ 2,137,572	\$ 1,419,478	\$ 406,604

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

	Rainy Day	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative
Cash and investments - beginning	\$ 2,894,216	\$ 62,555	\$ 1,587,582	\$ 144,267	\$ 4,282,037	\$ 847	\$ 294,861
Receipts:							
Local sources	-	702,747	1,231,871	544,020	8,165,252	-	768
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	31,466	263,853	-	-	-
Federal sources	-	-	2,253,542	-	-	-	-
Other receipts	-	-	450	-	-	-	-
Total receipts	-	702,747	3,517,329	807,873	8,165,252	-	768
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	99,370	-	9,566	597,667	-	-	10,733
Noninstructional services	-	-	2,969,087	-	-	-	-
Facilities acquisition and construction	-	1,781,763	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	324,933	-	8,831,966	-	-
Total disbursements	99,370	1,781,763	3,303,586	597,667	8,831,966	-	10,733
Excess (deficiency) of receipts over disbursements	(99,370)	(1,079,016)	213,743	210,206	(666,714)	-	(9,965)
Other financing sources (uses):							
Proceeds of long-term debt	-	993,526	-	-	-	-	-
Sale of capital assets	-	6,000,000	-	-	-	-	-
Transfers in	-	-	-	169,546	300,000	-	-
Transfers out	-	-	-	-	-	(847)	(9,635)
Total other financing sources (uses)	-	6,993,526	-	169,546	300,000	(847)	(9,635)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(99,370)	5,914,510	213,743	379,752	(366,714)	(847)	(19,600)
Cash and investments - ending	\$ 2,794,846	\$ 5,977,065	\$ 1,801,325	\$ 524,019	\$ 3,915,323	\$ -	\$ 275,261

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

	WCS Joint Service	Alternative Education	Early Intervention Grant	Time Technology Integration	Adult and Continuing Education	Extra- Curricular Activities	Transportation Fire 2016
Cash and investments - beginning	\$ (2,714)	\$ 45,001	\$ -	\$ -	\$ 233,267	\$ (3,540)	\$ -
Receipts:							
Local sources	-	-	-	-	159	36,705	1,512,426
Intermediate sources	-	-	-	-	-	-	-
State sources	-	52,202	17,030	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	52,202	17,030	-	159	36,705	1,512,426
Disbursements:							
Instruction	3,822	324,618	-	-	-	35,487	-
Support services	3,099	-	-	-	-	-	125,175
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	281,975
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	6,921	324,618	-	-	-	35,487	407,150
Excess (deficiency) of receipts over disbursements	(6,921)	(272,416)	17,030	-	159	1,218	1,105,276
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	9,635	296,666	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	9,635	296,666	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,714	24,250	17,030	-	159	1,218	1,105,276
Cash and investments - ending	\$ -	\$ 69,251	\$ 17,030	\$ -	\$ 233,426	\$ (2,322)	\$ 1,105,276

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

	Driver's Ed	In/ Out	Vocational	Literacy	Spec Education In/ Out	DEKKO Stem Grant	Redefining Excellence Award
Cash and investments - beginning	\$ 37,917	\$ 138,564	\$ 71,081	\$ 520	\$ 19,213	\$ 25,914	\$ 9,034
Receipts:							
Local sources	31,108	468,439	6,215	-	1,726	4,500	-
Intermediate sources	-	619	-	-	-	-	-
State sources	-	1,273	-	-	588	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	31,108	470,331	6,215	-	2,314	4,500	-
Disbursements:							
Instruction	18,517	171,555	5,750	-	292	808	-
Support services	2,310	108,865	-	-	99	-	9,034
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	37,776	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	20,827	318,196	5,750	-	391	808	9,034
Excess (deficiency) of receipts over disbursements	10,281	152,135	465	-	1,923	3,692	(9,034)
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	10,281	152,135	465	-	1,923	3,692	(9,034)
Cash and investments - ending	\$ 48,198	\$ 290,699	\$ 71,546	\$ 520	\$ 21,136	\$ 29,606	\$ -

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

	Medtronic STEM Grant	K Countdown United Way Grant	Orthoworx STEM Grant	e3 Tech Conference	Kos Com Foundation STEM Grant	iPad Protection Fund	Formative Assessment
Cash and investments - beginning	\$ 8,236	\$ (1,044)	\$ 9,582	\$ 15,195	\$ 104,857	\$ 5,600	\$ -
Receipts:							
Local sources	-	16,944	-	8,736	-	24,527	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	57,252
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	300	-
Total receipts	-	16,944	-	8,736	-	24,827	57,252
Disbursements:							
Instruction	-	16,708	1,221	-	5,824	-	-
Support services	1,648	-	-	7,500	26	7,982	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	975	-	-	-	57,252
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,648	16,708	2,196	7,500	5,850	7,982	57,252
Excess (deficiency) of receipts over disbursements	(1,648)	236	(2,196)	1,236	(5,850)	16,845	-
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	(1,648)	236	(2,196)	1,236	(5,850)	16,845	-
Cash and investments - ending	\$ 6,588	\$ (808)	\$ 7,386	\$ 16,431	\$ 99,007	\$ 22,445	\$ -

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

	High Ability Grant 2013-2014	High Ability Grant 2014-2015	High Ability Grant 2015-16	Secured Schools Safety Grant	Non-English Speaking Program	NESP Grant 2014-15	NESP Grant 2015-16
Cash and investments - beginning	\$ -	\$ 25,828	\$ -	\$ -	\$ -	\$ 20,576	\$ -
Receipts:							
Local sources	-	-	625	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	54,581	25,000	-	-	140,645
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	55,206	25,000	-	-	140,645
Disbursements:							
Instruction	-	25,267	23,903	-	-	12,051	93,742
Support services	-	561	-	-	-	4,925	8,812
Noninstructional services	-	-	-	-	-	3,600	-
Facilities acquisition and construction	-	-	-	25,000	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	25,828	23,903	25,000	-	20,576	102,554
Excess (deficiency) of receipts over disbursements	-	(25,828)	31,303	-	-	(20,576)	38,091
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	-	(25,828)	31,303	-	-	(20,576)	38,091
Cash and investments - ending	\$ -	\$ -	\$ 31,303	\$ -	\$ -	\$ -	\$ 38,091

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

	School Technology	State Connectivity Grant	Performance Based Awards	School Performance Award	Indiana School Academic Improvement Program (ISAIP)	Miscellaneous Programs	Dual Language Immersion
Cash and investments - beginning	\$ (2,722)	\$ 7,820	\$ -	\$ 10,006	\$ -	\$ (163,490)	\$ -
Receipts:							
Local sources	72,189	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	17,696	4,404	-	177,615	-	191,069	15,787
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	89,885	4,404	-	177,615	-	191,069	15,787
Disbursements:							
Instruction	-	-	-	187,621	-	27,579	255
Support services	14,975	-	-	-	7,100	-	15,685
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	8,480	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	14,975	8,480	-	187,621	7,100	27,579	15,940
Excess (deficiency) of receipts over disbursements	74,910	(4,076)	-	(10,006)	(7,100)	163,490	(153)
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	74,910	(4,076)	-	(10,006)	(7,100)	163,490	(153)
Cash and investments - ending	\$ 72,188	\$ 3,744	\$ -	\$ -	\$ (7,100)	\$ -	\$ (153)

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

	Title I 2013-2014	Title I 2014-2015	Title I 2015-2016	Title I School Improvement Grant	IDEA Technical Assistance Grant	IDEA Part B 2012-2013	IDEA Part B 2013-2014
Cash and investments - beginning	\$ -	\$ (132,693)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	291,776	876,513	4,541	14,363	-	134,128
Other receipts	-	-	-	-	-	-	-
Total receipts	-	291,776	876,513	4,541	14,363	-	134,128
Disbursements:							
Instruction	-	150,390	895,909	-	7,236	-	134,128
Support services	-	1,018	47,139	8,216	7,127	-	-
Noninstructional services	-	7,675	58,288	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	159,083	1,001,336	8,216	14,363	-	134,128
Excess (deficiency) of receipts over disbursements	-	132,693	(124,823)	(3,675)	-	-	-
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	-	132,693	(124,823)	(3,675)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (124,823)	\$ (3,675)	\$ -	\$ -	\$ -

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

	IDEA Part B 2014-2015	IDEA Part B 2015-2017	IDEA Preschool 2012-2013	IDEA Preschool 2013-2014	IDEA Preschool 2014-2015	IDEA Preschool 2015-2016	Adult Ed 2013-2014
Cash and investments - beginning	\$ (166,303)	\$ -	\$ -	\$ -	\$ (7,486)	\$ -	\$ -
Receipts:							
Local sources	1,314	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	268,241	1,136,573	-	5,942	8,961	26,550	-
Other receipts	-	-	-	-	-	-	-
Total receipts	269,555	1,136,573	-	5,942	8,961	26,550	-
Disbursements:							
Instruction	356	582,038	-	5,942	1,771	32,788	-
Support services	113,954	722,607	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	114,310	1,304,645	-	5,942	1,771	32,788	-
Excess (deficiency) of receipts over disbursements	155,245	(168,072)	-	-	7,190	(6,238)	-
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	155,245	(168,072)	-	-	7,190	(6,238)	-
Cash and investments - ending	\$ (11,058)	\$ (168,072)	\$ -	\$ -	\$ (296)	\$ (6,238)	\$ -

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

	Adult Ed 2014-2015	Adult Ed 2015-2016	Vocational and Technology Board Grants	Carl Perkins 2015-2016	Carl Perkins 2013-2014	Carl Perkins Rural Grant 2015	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ (53,247)	\$ -	\$ (1,253)	\$ -	\$ -	\$ -	\$ 129,919
Receipts:							
Local sources	-	-	-	-	-	-	77
Intermediate sources	-	-	-	-	-	-	-
State sources	1,897	202,750	-	-	-	-	84,293
Federal sources	112,895	26,444	35,888	79,851	-	100,000	162,569
Other receipts	-	-	-	-	-	-	-
Total receipts	114,792	229,194	35,888	79,851	-	100,000	246,939
Disbursements:							
Instruction	44,313	304,978	34,635	92,843	-	100,000	58,921
Support services	17,232	21,672	-	-	-	-	10,786
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	61,545	326,650	34,635	92,843	-	100,000	69,707
Excess (deficiency) of receipts over disbursements	53,247	(97,456)	1,253	(12,992)	-	-	177,232
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	53,247	(97,456)	1,253	(12,992)	-	-	177,232
Cash and investments - ending	\$ -	\$ (97,456)	\$ -	\$ (12,992)	\$ -	\$ -	\$ 307,151

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

	Title II Part A 2013-2014	Title II 2014-2015	Title II 2014-2016	MSP Language of STEM Grant	Title II MSP Grant 2013-2014	Title II Elearning Grant	Title III 2012-2013
Cash and investments - beginning	\$ -	\$ (10,254)	\$ -	\$ -	\$ (209)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	95,074	132,268	209,526	198,887	14,000	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	95,074	132,268	209,526	198,887	14,000	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	84,820	134,333	208,499	198,678	26,321	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	5,760	-	-	-
Total disbursements	-	84,820	134,333	214,259	198,678	26,321	-
Excess (deficiency) of receipts over disbursements	-	10,254	(2,065)	(4,733)	209	(12,321)	-
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	-	10,254	(2,065)	(4,733)	209	(12,321)	-
Cash and investments - ending	\$ -	\$ -	\$ (2,065)	\$ (4,733)	\$ -	\$ (12,321)	\$ -

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

	Title III 2013-2014	Title III 2014-2015	Title III 2015-2017	Title III WIDA 2013-2014	Prepaid Lunch	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (2,530)	\$ -	\$ -	\$ 73,481	\$ (18,913)	\$ 23,091,935
Receipts:							
Local sources	-	-	-	-	-	-	34,564,404
Intermediate sources	-	-	-	-	-	-	1,066
State sources	-	-	-	-	-	-	47,168,227
Federal sources	2,997	54,958	54,016	-	-	-	6,300,503
Other receipts	-	-	-	-	1,226,308	50,202,093	51,438,993
Total receipts	2,997	54,958	54,016	-	1,226,308	50,202,093	139,473,193
Disbursements:							
Instruction	1,954	47,331	45,682	-	-	-	33,729,902
Support services	1,043	6,099	9,911	-	-	-	24,743,863
Noninstructional services	-	-	-	-	-	-	3,456,376
Facilities acquisition and construction	-	-	-	-	-	-	5,032,970
Debt services	-	-	-	-	-	-	9,594,238
Nonprogrammed charges	-	-	-	-	1,213,417	50,181,579	60,564,355
Total disbursements	2,997	53,430	55,593	-	1,213,417	50,181,579	137,121,704
Excess (deficiency) of receipts over disbursements	-	1,528	(1,577)	-	12,891	20,514	2,351,489
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	993,526
Sale of capital assets	-	-	-	-	-	-	6,000,000
Transfers in	-	-	-	-	-	-	776,694
Transfers out	-	-	-	-	-	-	(776,694)
Total other financing sources (uses)	-	-	-	-	-	-	6,993,526
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,528	(1,577)	-	12,891	20,514	9,345,015
Cash and investments - ending	\$ -	\$ (1,002)	\$ (1,577)	\$ -	\$ 86,372	\$ 1,601	\$ 32,436,950

WARSAW COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 4,497,657</u>	<u>\$ 56,000</u>

WARSAW COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Warsaw Multi-School Building Corp	2007 Multi School Improvements	\$ 3,507,000	06/30/04	06/30/24
Warsaw Multi-School Building Corp	2015 Multi School Improvements	1,800,000	06/30/16	06/30/35
Warsaw Multi-School Building Corp	2016 Referendum	300,000	06/30/17	06/30/35
Warsaw Multi-School Building Corp	2008 Multi School Improvements	4,388,000	06/30/08	12/31/31
Warsaw Community Schools	2016 Apple iPad Lease	<u>248,972</u>	04/20/16	04/20/19
Total of annual lease payments		<u>\$ 10,243,972</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Bonds	\$ 1,424,837	\$ 465,099
General obligation bonds	2009 QSCB	1,246,000	149,991
General obligation bonds	2010 QSCB	785,000	178,118
General obligation bonds	GO Bonds 2016	995,000	156,266
Notes and loans payable	Energy Savings Installment Agreement	<u>858,029</u>	<u>365,520</u>
Totals		<u>\$ 5,308,866</u>	<u>\$ 1,314,994</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 WARSAW COMMUNITY SCHOOLS, KOSCIUSKO COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Warsaw Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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. Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Mathematics and Science Partnerships

As described in item 2016-005 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence to ascertain if the School Corporation properly complied with the Reporting compliance requirement of its Mathematics and Science Partnerships program. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to this program.

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

Qualified Opinion on Mathematics and Science Partnerships

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of their Mathematics and Science Partnerships program regarding Reporting, as described in the *Basis for Qualified Opinion on Mathematics and Science Partnerships* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Mathematics and Science Partnerships program for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 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 items 2016-003 and 2016-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


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

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

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, 2016-003, 2016-004, and 2016-005 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

March 21, 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.

WARSAW COMMUNITY SCHOOLS
 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	4415	\$ -	\$ 408,778	\$ -	\$ 432,867
National School Lunch Program	Indiana Department of Education	10.555	4415	-	1,648,597	-	1,654,080
National School Lunch Program - Snacks				-	12,252	-	27,440
National School Lunch Program - Commodities				-	220,458	-	226,347
Total - National School Lunch Program				-	1,881,307	-	1,907,867
Summer Food Service Program for Children	Indiana Department of Education	10.559	4415	-	126,409	-	139,155
Total - Child Nutrition Cluster				-	2,416,494	-	2,479,889
Total - Department of Agriculture				-	2,416,494	-	2,479,889
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
5260 IDEA Part B 2012-13	Indiana Department of Education	84.027	14213-045-PN01	-	40,605	-	-
5280 IDEA Part B 2014-15			14215-045-PN01	-	1,120,962	-	268,241
5290 IDEA Part B 2015-17			14216-043-PN01	-	-	-	1,136,573
5270 IDEA Part B 2013-14			14214-045-PN01	-	154,138	-	-
5259 IDEA Technical Assistance Grant 2013-14			99914-045-TA01	-	11,235	-	7,127
Total - Special Education Grants to States				-	1,326,940	-	1,411,941
Special Education Preschool Grants							
5410 IDEA Preschool 2012-13		84.173	45713-045-PN01	-	901	-	-
5420 IDEA Preschool 2013-14			45714-045-PN01	-	12,066	-	4,353
5430 IDEA Preschool 2014-15			45715-045-PN-01	-	24,952	-	8,961
5440 IDEA Preschool 2015-16			45716-043-PN-01	-	-	-	26,550
Total - Special Education Preschool Grants				-	37,919	-	39,864
Total - Special Education Cluster (IDEA)				-	1,364,859	-	1,451,805
School Improvement Grants Cluster							
School Improvement Grants							
4190 Title I School Improvement Grant	Indiana Department of Education	84.377	S377A00120015	-	-	-	4,541
Total - School Improvement Grants Cluster				-	-	-	4,541
Adult Education - Basic Grants to States							
5520 Adult Basic Ed 2013-14	Indiana Department of Workforce Development	84.002	C1-4-AE-3-130	-	122,604	-	-
5530 Adult Basic Ed 2014-15			C1-5-AE-4-130	-	75,222	-	112,895
5540 Adult Basic ED 2015-2016			C1-5-AE-5-130	-	-	-	26,444
Total - Adult Education - Basic Grants to States				-	197,826	-	139,339
Title I Grants to Local Educational Agencies							
4130 Title I 2013-14	Indiana Department of Education	84.010	14-4415	-	592,605	-	-
4140 Title I 2014-15			15-4415	-	840,610	-	291,776
4150 Title I 2015-16			16-4415	-	-	-	876,513
Total - Title I Grants to Local Educational Agencies				-	1,433,215	-	1,168,289

WARSAW COMMUNITY SCHOOLS
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
Career and Technical Education - Basic Grants to States	Indiana Department of Education						
6205 Carl Perkins 2013-14		84.048	14-4700-4415	-	34,423	-	-
6200 Carl Perkins 2014-15			15-4700-4415	-	78,914	-	35,888
6201 Carl Perkins 2015-16			16-4700-4415	-	-	-	79,851
6290 Carl Perkins Rural Grant 2015			A58-5-15-CI-2745	-	-	-	100,000
Total - Career and Technical Education - Basic Grants to States				-	113,337	-	215,739
English Language Acquisition State Grants	Indiana Department of Education						
6881 Title III 2012-13		84.365	01113-040-PN01	-	19,307	-	-
6889 Title III WIDA 2013-14			01113-337-PN01	-	2,961	-	-
6882 Title III 2013-14			01114-87-PN01	-	47,942	-	2,997
6883 Title III 2014-15			0115-043-PN01	-	63,256	-	54,958
6884 Title III 2015-16			01116-044-PN01	-	-	-	54,016
Total - English Language Acquisition State Grants				-	133,466	-	111,971
Mathematics and Science Partnerships	Indiana Department of Education						
6848 Summer MSP		84.366	A58-3-13CI-1272	-	133,333	-	-
6848 Summer MSP			A58-5-15CI-2281	-	38,364	-	198,887
6847 MSP Language of STEM Grant			A58-5-15CI-2878	-	-	-	209,526
Total - Mathematics and Science Partnerships				-	171,697	-	408,413
Supporting Effective Instruction State Grants	Indiana Department of Education						
6842 Title II 2013-14		84.367	12-4415	-	103,563	-	-
6843 Title II 2014-15			13-4415	-	67,951	-	95,074
6844 Title II 2015-16			14-4415	-	-	-	132,268
6849 eLearning 2014			A58-4-14CI-1984	-	16,000	-	-
6849 eLearning 2015			A58-5-15CI-2469	-	-	-	14,000
Total - Supporting Effective Instruction State Grants				-	187,514	-	241,342
Total - Department of Education				-	3,601,914	-	3,741,439
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778	SY 2015, SY 2016	-	33,665	-	33,319
Total - Medicaid Cluster				-	33,665	-	33,319
Total - Department of Health and Human Services				-	33,665	-	33,319
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security						
2950 In/Out		97.036	4173	-	47,419	-	-
Total - Department of Homeland Security				-	47,419	-	-
Total federal awards expended				\$ -	\$ 6,099,492	\$ -	\$ 6,254,647

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

WARSAW COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 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. Special Education Cooperative

The School Corporation is a member of a Special Education Cooperative and served as the fiscal agent for it through June 30, 2014. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement in the first few months of the fiscal year 2015 is not presented on the SEFA for the School Corporation.

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified - Child Nutrition Cluster, Special Education Cluster (IDEA), Title I Grants to Local Educational Agencies, Supporting Effective Instruction State Grants Modified - Math and Science Partnerships
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.366	Math and Science Partnerships
84.367	Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$370,624

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

FINDING 2016-001

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

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

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

Condition

The School Corporation had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units financial reporting system, which is the source for the Schedule of Expenditures of Federal Awards (SEFA).

Context

Due to the lack of controls, the SEFA contained the following errors:

1. The Adult Education - Basic Grants to States grants were overstated by \$2,585,611 and \$204,647 for school years 2014-2015 and 2015-2016, respectively.
2. The Special Education Cluster (IDEA) cluster was overstated by \$144,266 for school year 2015-2016.
3. The Medicaid Cluster expenditures were understated \$33,665 and \$33,319 for school years 2014-2015 and 2015-2016, respectively.
4. The Disaster Grants - Public Assistance (Presidentially Declared Disasters) grant of \$47,419 for school year 2014-2015 was not presented on the SEFA.
5. The Mathematics and Science Partnerships grants were originally shown incorrectly as Catalogue of Federal Domestic Assistance (CFDA) number 84.367 instead of 84.366. Grant identifying numbers were incorrect also.
6. The Supporting Effective Instruction State Grants were shown with an incorrect Program Title.

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.

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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*.

Recommendation

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Child Nutrition Cluster - Reporting, 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,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): 4415

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior report. The prior audit finding number was 2014-003.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Reporting

The School Corporation had not established an effective control to ensure that required reports were complete and accurate prior to submission. The Annual Financial Report and Verification Summary Report were prepared by one individual without an oversight, review, or approval process.

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

The School Corporation had not established an effective control to ensure that the verification of eligibility determinations for free and reduced price meals were accurate. The verification process was completed by one individual with no additional review or oversight to ensure accuracy.

Context

The lack of controls was a systemic problem, which occurred 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). . . ."

Cause

The School Corporation's management had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements of the Child Nutrition Cluster.

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: Title I Grant to Local Educational Agencies - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grant to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-4415, 15-4415, 16-4415
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior report. The prior audit finding number was 2014-009.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The School Corporation had not implemented adequate controls to ensure that time and effort documentation was prepared and/or approved.

Semi-Annual Certifications or time and effort logs were not available for six out of sixteen employees tested. Time and effort logs were not always signed by someone knowledgeable of the work performed by the employees. Reports substantiating substitute teacher time and effort for all substitutes tested were not available for audit.

Context

The lack of controls and noncompliance were systemic issues and occurred 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. . . ."

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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). . . ."

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

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

2 CFR 200.430(i) states in part:

"Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which allocated using different allocation bases; or an unallowable activity and a direct or indirect costs activity. . . ."

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states:

- **TAS Programs:**

"Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year. Employees who work on multiple activities must maintain a time and effort log at least once a month."

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- **School wide programs:**

"If a school-wide program consolidates funds in a single account, an employee paid with funds from the single account is not required to file a semi-annual certification. If a school-wide program does not consolidate funds, employees working solely on a single Federal program must complete semi-annual certifications.

If a school-wide program does not consolidate funds, employees working on multiple programs must maintain a time and effort log at least once a month."

Cause

Management had not designed or implemented internal control procedures to ensure compliance with the Allowable Costs/Cost Principles 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, including segregation of duties, related to the grant agreement and comply with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2016-004

Subject: Special Education Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027 and 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-045-PN01, 14215-045-PN01,
14216-043-PN01, 14214-045-PN01,
99914-045-TA01, 45713-045-PN01,
45714-045-PN01, 45715-045-PN01,
45716-045-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The School Corporation had not implemented adequate controls to ensure that time and effort documentation was prepared and/or approved.

Time and effort reports maintained by the School Corporation did not have proper documentation. For employees paid from multiple funds, the time and effort reports showed the total minutes worked in the private, public, and home school setting per quarter rather than the required daily reporting of time worked on special education. Since the time and effort reports only provided the hours the employee worked in the private, public, and home school setting and not the time worked on special education or total time worked per quarter, it could not be established that certain employee's wages paid from special education programs were accurate and allowable.

Context

The lack of controls and noncompliance were systemic issues and occurred 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). . . ."

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

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

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.430(i) states in part:

"Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which allocated using different allocation bases; or an unallowable activity and a direct or indirect costs activity. . . ."

Cause

Management had not designed or implemented internal control procedures to ensure compliance with the Allowable Costs/Cost Principles 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, including segregation of duties, related to the grant agreement and comply with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2016-005

Subject: Mathematics and Science Partnerships - Reporting
Federal Agency: Department of Education
Federal Program: Mathematics and Science Partnerships
CFDA Number: 84.366
Federal Award Numbers and Years (or Other Identifying Numbers): A58-3-13CI-1272, A58-5-15CI-2281,
A58-5-15CI-2878
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation did not design or implement adequate policies and procedures to ensure that all Reporting requirements were followed. There were no Final Expenditure Reports filed at the end of the grant period.

Context

The lack of controls and noncompliance were systemic issues and occurred 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). . . ."

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

34 CFR 80.41 states in part:

"(a) *General.*

(1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section and such supplementary or other forms as may from time to time be authorized by OMB for:

(i) Submitting financial reports to Federal agencies . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements . . .

(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

Cause

The School Corporation's management had not designed or implemented internal control procedures to ensure compliance with the Reporting 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, including segregation of duties, related to the grant agreement and comply with the Reporting compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2014-013:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: David Robertson
Contact Phone Number: 574-371-5093 x 2468

Status of Audit Finding:

Jennifer Zaugg coordinates with David Robertson to ensure proper coding of all conference request forms. Mr. Robertson physically signs each form and also approves electronic requests. Jennifer works WCS business department to ensure funds are available before approving requests.

Finding 2014-015:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: David Robertson
Contact Phone Number: 574-371-5093 x 2468

Status of Audit Finding:

Kirsta Polston has been hired as a grant and special projects coordinator. She meets monthly with Mr. Robertson to ensure grant guidelines are followed for grant expenditures.

Finding 2014-009:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Dani Barkey
Contact Phone Number: 574-371-5093 x 2424

Status of Audit Finding:

The updated processes of claim dollar amounts, double signatures and a third party review, have been put into place through the business office and examples of this documentation may be requested from the business office. We have also addressed the way we document time and effort logs in accordance with the finding recommendations. As Title I and III administrator, I utilize the food service free and reduced list to determine percentages of allocated support for each of our Title I plans. Evidence can be found in our Title I grants upon request. Also as a result of the findings, the assistant to the Title I administrator checks the list of approved vendors prior to purchases or contracts. An approval process for comparability reports has been put into practice and the Title I administrator reviews and signs for approval of all reports.

Finding 2014-011:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Dani Barkey
Contact Phone Number: 574-371-5093 x 2424

Status of Audit Finding:

We work in tandem with the Human Resources department to ensure all Title I and III employees have proper documentation of high quality teachers and paraprofessionals in place. We also do not make job offers until we have verified that candidates meet requirements of each position.

Finding 2014-012:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Dani Barkey
Contact Phone Number: 574-371-5093 x 2424

Status of Audit Finding:

Following the audit report in February of 2016 a committee was formed to determine a procedure for ensuring that proper documentation was placed and retained in students' cumulative files. The committee was composed of key stakeholders throughout the district that work with the cumulative files at all levels of instruction. Please find attached the Retention of Records Procedure that was agreed upon and implemented by the committee.

Finding 2014-001:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5093 x 2491

We have implemented a new sign off sheet that says who prepares and who reviews. They then sign and date it after they have prepared/reviewed it. Right now, the Treasurer prepares and the CFO or Financial Operations Manager reviews. As the Deputy Treasurer gains more experience she will prepare it as well.

Finding 2014-002:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5093 x 2491

We have added a claim total to every month's board claims. We have implemented the second signature to all Account Payable Vouchers. The Treasurer's month end reconciliation is reviewed and initialed by the CFO monthly.

For internal control monitoring, we have dual signatures on everything we do. We had an outside entity come and do an internal review. We are continuing to put in place internal controls manual and we have put in place manuals for many of our procedures.

Finding 2014-007:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5093 x 2491

The Corporation Treasurer has prepared the MOE and the Financial Operations Manager has reviewed and signed off on it. We keep a digital copy in the MOE file. The plan is to include the Deputy Treasurer in the preparation of the MOE as well.

Finding 2014-008:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5093 x 2491

We have added the dual signatures on all grant reimbursement requests. The Deputy Treasurer or the Financial Operations Manager prepares the reimbursement and the Treasurer reviews and signs off before it is submitted. We have also added the detailed reports that were requested.

Finding 2014-010:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5093 x 2491

For the Title I there are dual initials on every reimbursement request. We print the online form and initial it. The Deputy Treasurer or the Financial Operations Manager prepares the request and it is reviewed before it is submitted. The Annual Expenditure Report is ran by either the Financial Operations Manager or the Treasurer and the other signs off on it.

Finding 2014-014:

Fiscal year in which the finding initially occurred: FY 7/1/2012 – 6/30/2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5093 x 2491

The Deputy Treasurer or Financial Operations Manager prepares the requests and the Treasurer reviews before submitting. We have also included the detailed reports that were requested.



(Signature)

Corporation Treasurer

(Title)

2/16/18

(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).)



WCS Food & Nutrition Services
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CORRECTIVE ACTION PLAN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: July 1, 2012 to June 30, 2014

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Marci Franks, Director

Contact Phone Number: 574-371-5086 ext. #5

Payroll controls have been implemented that include each employee recording their time on time sheets in the kitchen which are then approved by the manager with the exception of the manager's time which is approved by the Assistant Director (AD). The manager sends the completed time sheet to the Assistant Director for review and approval. The AD makes a spreadsheet for each building with hours and then enters the hours into New World from the original time sheets after approving them for accuracy and hours allowed. Once the information is completed in New World, the Director is notified that approval is needed. The Director reviews the hours in New World, comparing to the time sheets and approves accordingly. All time sheets have two people approving and initialing them.

Approval of student eligibility of applications now are all reviewed by no less than two people and/or systems. The first review of on line applications is by the system, the second review is by the Administrative Assistant who approves the application. Any corrections or changes are reviewed by a second person after a copy of the application has been printed. Both people initial this. Paper applications are reviewed, entered to the program, approved and initialed by the Admin Asst. A copy of the approved application from the program is printed and stapled to the original paper application in which another person then reviews to insure eligibility has been accurately approved and entered into program - this person then initials the application as well.

Reporting such as Edit Checks are signed by the cafe managers and reviewed for accuracy by the Administrative Assistant. Edit checks are compared against the number of approved applications for Paid/Free/Reduced to insure there are no claims over the allowed amount. The Edit Check is initialed by the the Admin Asst who then enters the claim on the IDOE web page by building according to the edit check. A second person reviews the information entered on the IDOE and compares this to the Edit Checks, initialing when accurate and complete. When these steps have been completed the Director is notified who then reviews the accuracy of the information compared to the Edit Checks and the Manager Summary Reports - all must match. The Director then approves the claim on the IDOE, initialing the packet of monthly claim information submitted to the IDOE. An email of the amount to be reimbursed is emailed to the Treasurer.

Verification procedures in place are the same procedures as approval of student eligibility. Two people review for accuracy once all information is provided. (Both sets of initials were not present but will be a step beginning in 2017-2018 school year).

FINDING 2014-004

Fiscal year in which the finding initially occurred: July 1, 2012 to June 30, 2014
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Marci Franks, Director
Contact Phone Number: 574-371-5086 Ext. #5

PLE guidelines are followed according to the IDOE procedures set in place. A report is sent to the IDOE annually which must be approved. When funds are over the 3-month allowable amount a spending plan is submitted to the IDOE to explain how the additional funds will be used. A spreadsheet is kept monthly of the balance and submitted to the CFO and Treasurer and Assistant Director for accuracy and information purposes.

FINDING 2014-005

Fiscal year in which the finding initially occurred: July 1, 2012 to June 30, 2014
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Marci Franks, Director
Contact Phone Number: 574-371-5086 Ext. #5

A file is kept with copies of purchase orders and invoices all purchases of equipment over \$300 and all disposals of Food Service Equipment. The funding source is included.

FINDING 2014-006

Fiscal year in which the finding initially occurred: July 1, 2012 to June 30, 2014
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Marci Franks, Director
Contact Phone Number: 574-371-5086 Ext. #5

The generation of the Indirect Cost Report is performed by the Director who then provides the information to the Assistant Director for accuracy. (Beginning with 2017-2018 an initialed copy will be kept in a file for review). All rate adjustments are figured once the new rates are available with the amount adjusted on the next month's Indirect Cost Report. Catering costs are billed to the appropriate cost center with an invoice generated by the Assistant Director. A check is sent to our office for the invoice which is then deposited into the FS account.

Marci Franks
(Signature)

Director
(Title)

December 12, 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).)



CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5083 x 2491

Views of Responsible Official:

Description of Corrective Action Plan:

With the SEFA being a new report at the time of the audit period, we feel that with the instructions that were given for the report, it was completed to the best of our ability at the time. The findings for the SEFA were fixed immediately for the two school years audited and the most current. Going forward these will be reported to the best of our knowledge.

Anticipated Completion Date: Immediately

FINDING 2016-002

Contact Person Responsible for Corrective Action: Marci Franks, Director of FNS
Contact Phone Number: 574-371-5086 Ext. #5

Views of Responsible Official:

Description of Corrective Action Plan:

The Annual Financial Report and Verification Summary Report were prepared by one individual without an oversight, review, or approval process.

Annual Financial Report (AFR) controls have been put in to place to provide oversight, review and document the approval process. The first review of the AFR is by the preparer, the Director of Food Services, (FSD) the second review is by the Assistant Director (AD) who verifies the data has been correctly gathered and entered. Any corrections or changes are made with the same steps by the same people. Once the information is verified as correct the AFR is submitted (emailed) to the CFO and district Treasurer for review and input. If no further information is needed and nothing has changed the AFR is submitted to the IDOE by the FSD. A copy is printed with both the FSD and AD initialing this document to verify that the information on the paper document correctly entered and submitted.

The steps taken for Verification Reporting are the same as previous with the exception of two sets of initials not being present on the actual Verification documents. Providing initials as noted here will be a further step in the process of Verification Reporting beginning in 2017-2018 school year:

For Verification, the Administrative Assistant (AA) gathers the data in paper format and enters the information into the system. Prior to submitting the online document, the paper and system information is further verified for accuracy by the Director of Food Services (FSD). After comparing the data (was it gathered correctly) to the information in the system (did the information on the paper document get put into the system properly) the FSD and the AA both initial the Verification form and the FSD submits the report in the system. Once submitted, a copy is printed from the system and initialed by both the FSD and AA, again verifying that the information on both documents remained the same.

Anticipated Completion Date: Immediately

FINDING 2016-003

Contact Person Responsible for Corrective Action: Dani Barkey – Director of Title I
Contact Phone Number: 574-371-5083 x 2491

Views of Responsible Official:

Description of Corrective Action Plan:

Semi-Annual Certifications and effort logs will be completed by all the appropriate employees within the Title I grant. Time and effort logs will be signed by both the employee and the immediate supervisor. Time and effort logs will be completed and available to substantiate substitute teacher time and effort.

Anticipated Completion Date: Immediately

FINDING 2016-004

Contact Person Responsible for Corrective Action: Amy Hobbs – Director of Special Education
Contact Phone Number: 574-371-5083 x 2491

Views of Responsible Official:

Description of Corrective Action Plan: To improve our time and effort reporting WCS contacted the Indiana Department of Education on March 7, 2018 to receive information and clarification regarding the utilization of time and effort reporting for appropriate staff. As of this writing we have not received a response from the Department of Education. WCS has located a guidance document on the Indiana Department of Education’s website and will be requesting clarification and approval concerning

appropriate staff to complete the time and effort reporting. After receiving guidance from the Department of Education, WCS will begin utilizing the time and effort reporting documentation.

Anticipated Completion: April 2018

FINDING 2016-005

Contact Person Responsible for Corrective Action: April Fitterling
Contact Phone Number: 574-371-5083 x 2491

Views of Responsible Official:

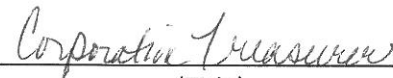
Description of Corrective Action Plan:

With the MSP grants there has been a lot of turn over at the DOE. The person in charge of the MSP grant tried to get someone to turn on the online portal for the Final Expenditure Report, but was never successful. The DOE never requested a report and it was never filed. We contacted the DOE and they did not see it necessary for one to be submitted when we asked about it, in addition, that our final reimbursement request could be utilized as our final report. Going forward any federal grants will be monitored and all reports will be filed.

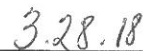
Anticipated Completion Date: Immediately



(Signature)



(Title)



(Date)

OTHER REPORTS

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