

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

WEST WASHINGTON SCHOOL CORPORATION  
WASHINGTON COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
04/18/2018



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SCHEDULE OF OFFICIALS

| <u>Office</u>                    | <u>Official</u>                                    | <u>Term</u>  |
|----------------------------------|--|--|
| Treasurer                        | Vickie J. Nice                                     | 07-01-14 to 06-30-18   |
| Superintendent<br>of Schools     | Gerald W. Jackson<br>Keith A. Nance                | 07-01-14 to 06-30-15<br>07-01-15 to 06-30-18                         |
| President of the<br>School Board | Rick D. Roberts<br>Brian Farmer<br>Joe Walker, Jr. | 07-01-14 to 12-31-14<br>01-01-15 to 12-31-17<br>01-01-18 to 12-31-18 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WEST WASHINGTON SCHOOL  
CORPORATION, WASHINGTON COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the West Washington School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

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

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 4, 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

April 4, 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 WEST WASHINGTON SCHOOL  
CORPORATION, WASHINGTON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the West Washington School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated April 4, 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 a certain deficiency 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 deficiency, 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.

**West Washington School Corporation's Response to Findings**

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plans. 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

April 4, 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.

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

| Fund                                      | Cash and Investments<br>07-01-14 | Receipts      | Disbursements | Other Financing<br>Sources (Uses) | Cash and Investments<br>06-30-15 | Receipts      | Disbursements | Other Financing<br>Sources (Uses) | Cash and Investments<br>06-30-16 |
|---|----------------------------------|---------------|---------------|-----------------------------------|----------------------------------|---------------|---------------|-----------------------------------|----------------------------------|
| General                                   | \$ 3,497,171                     | \$ 5,594,342  | \$ 6,296,916  | \$ 123,916                        | \$ 2,918,513                     | \$ 5,640,009  | \$ 6,068,456  | \$ (180,039)                      | \$ 2,310,027                     |
| Debt Service                              | 590,412                          | 968,686       | 709,898       | (270,809)                         | 578,391                          | 880,603       | 998,584       | (24,030)                          | 436,380                          |
| Retirement/Severance Bond Debt Service    | 159,321                          | 201,046       | 225,396       | -                                 | 134,971                          | 230,445       | 226,445       | -                                 | 138,971                          |
| Capital Projects                          | 656,064                          | 802,583       | 827,964       | (37,690)                          | 592,993                          | 824,530       | 693,198       | 570                               | 724,895                          |
| School Transportation                     | 884,613                          | 782,303       | 631,499       | -                                 | 1,035,417                        | 690,825       | 593,473       | (199,769)                         | 933,000                          |
| School Bus Replacement                    | 132,641                          | 80,813        | 122,301       | 3,423                             | 94,576                           | 154,196       | 187,437       | -                                 | 61,335                           |
| Rainy Day                                 | 298,399                          | -             | -             | -                                 | 298,399                          | 24,994        | -             | 200,000                           | 523,393                          |
| Retirement/Severance Bond                 | (29,149)                         | 5,873         | 115,740       | 139,016                           | -                                | -             | -             | -                                 | -                                |
| Post-Retirement/Severance Future Benefits | -                                | 7,830         | 75,280        | 8,424                             | (59,026)                         | -             | 58,937        | 117,963                           | -                                |
| School Lunch                              | (16,259)                         | 337,266       | 384,359       | -                                 | (63,352)                         | 383,070       | 364,689       | 52,332                            | 7,361                            |
| Textbook Rental                           | 9,473                            | 76,003        | 51,156        | 200                               | 34,520                           | 72,869        | 87,575        | 24,210                            | 44,024                           |
| Levy Excess                               | -                                | 231           | -             | -                                 | 231                              | -             | -             | (231)                             | -                                |
| Educational License Plates                | 2,844                            | 113           | -             | -                                 | 2,957                            | 37            | 2,994         | -                                 | -                                |
| Proposed Budget Update                    | 242                              | -             | -             | -                                 | 242                              | -             | -             | (242)                             | -                                |
| WHAS Grant                                | -                                | 50,000        | 50,000        | -                                 | -                                | -             | -             | -                                 | -                                |
| Formative Assessment                      | -                                | -             | -             | -                                 | -                                | 10,121        | 2,473         | -                                 | 7,648                            |
| High Ability 2013-2014                    | 456                              | -             | 456           | -                                 | -                                | -             | -             | -                                 | -                                |
| High Ability 2014-2015                    | -                                | 28,722        | 28,722        | -                                 | -                                | -             | -             | -                                 | -                                |
| High Ability 2015-2016                    | -                                | -             | -             | -                                 | -                                | 28,774        | 26,255        | -                                 | 2,519                            |
| Medicaid Reimbursement - State            | 8,826                            | 59            | 1,124         | -                                 | 7,761                            | -             | 1,614         | -                                 | 6,147                            |
| Secured Schools Safety Grant              | (16,059)                         | 19,834        | 62,062        | 37,690                            | (20,597)                         | 11,629        | 15,666        | 11,670                            | (12,964)                         |
| Scholarships and Awards                   | 15,932                           | 16,574        | 32,506        | -                                 | -                                | 15,268        | 15,218        | -                                 | 50                               |
| School Technology                         | 1,041                            | 3,669         | 3,480         | -                                 | 1,230                            | 4,404         | 3,480         | -                                 | 2,154                            |
| Donations                                 | 1,311                            | -             | -             | -                                 | 1,311                            | 2,550         | 2,611         | -                                 | 1,250                            |
| 2014 WWCF Horizons Grant                  | 578                              | -             | 578           | -                                 | -                                | -             | -             | -                                 | -                                |
| Jump Start                                | 1,987                            | -             | 1,987         | -                                 | -                                | -             | -             | -                                 | -                                |
| Digital Learning Grant                    | -                                | -             | -             | -                                 | -                                | -             | 5,639         | -                                 | (5,639)                          |
| Wash. Co. Substance Abuse                 | 5,000                            | -             | 5,000         | -                                 | -                                | -             | -             | -                                 | -                                |
| Fuel Up To Play 60 Grant                  | 4,983                            | -             | 500           | -                                 | 4,483                            | -             | 1,198         | -                                 | 3,285                            |
| Wash. Co. Substance Abuse Grant           | -                                | 5,500         | -             | -                                 | 5,500                            | 3,000         | 5,500         | -                                 | 3,000                            |
| Title I 2013-2014                         | (10,730)                         | 10,648        | (82)          | -                                 | -                                | -             | -             | -                                 | -                                |
| Title I 2014-2015                         | -                                | 209,839       | 261,149       | -                                 | (51,310)                         | 57,295        | 5,985         | -                                 | -                                |
| Title I 2015-2016                         | -                                | -             | -             | -                                 | -                                | 222,728       | 255,206       | -                                 | (32,478)                         |
| Medicaid Reimbursement - Federal          | 12,531                           | 119           | 1,718         | -                                 | 10,932                           | -             | 3,497         | -                                 | 7,435                            |
| Title II 2013-2014                        | (25)                             | -             | (25)          | -                                 | -                                | -             | -             | -                                 | -                                |
| Title II 2014-2015                        | -                                | 50,315        | 50,315        | -                                 | -                                | -             | -             | -                                 | -                                |
| Title II 2015-2016                        | -                                | -             | -             | -                                 | -                                | 47,221        | 52,099        | -                                 | (4,878)                          |
| Rural & Low Income 2013-2014              | -                                | 46            | 46            | -                                 | -                                | -             | -             | -                                 | -                                |
| Rural & Low Income 2014-2015              | -                                | 8,145         | 14,171        | -                                 | (6,026)                          | 8,848         | 2,822         | -                                 | -                                |
| Rural & Low Income 2015-2016              | -                                | -             | -             | -                                 | -                                | 3,480         | 5,180         | -                                 | (1,700)                          |
| Rural & Low Income 2016-2017              | -                                | -             | -             | -                                 | -                                | -             | 9,224         | -                                 | (9,224)                          |
| Petty Cash                                | 100                              | -             | -             | -                                 | 100                              | -             | -             | -                                 | 100                              |
| Prepaid Lunch                             | 2,784                            | 82,247        | 79,627        | -                                 | 5,404                            | 79,529        | 81,064        | -                                 | 3,869                            |
| Payroll Withholdings                      | 182,646                          | 1,466,931     | 1,479,101     | -                                 | 170,476                          | 1,392,028     | 1,450,095     | -                                 | 112,409                          |
| Totals                                    | \$ 6,397,133                     | \$ 10,809,737 | \$ 11,512,944 | \$ 4,170                          | \$ 5,698,096                     | \$ 10,788,453 | \$ 11,226,614 | \$ 2,434                          | \$ 5,262,369                     |

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

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

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

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

*Nonprogrammed charges.* Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, 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:

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

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

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

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.

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. 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.

*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

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. Title I, Title II, Rural & Low Income, Secured Schools Safety Grant, and Digital Learning Grant funds are set up for reimbursable grants. These grant funds were expected to have deficit balances because of the manner in which the grants are administered. The reimbursements for expenditures made by the School Corporation were not received by June 30 of each fiscal year. The School Corporation transfers funds into the Post Retirement/Severance Future Benefits and School Lunch funds. These transfers were not made before the 2015 fiscal year end.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with West Washington Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years 2015 and 2016 totaled \$441,570 and \$441,570, respectively.

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Subsequent Events**

On July 27, 2017, the School Corporation sold \$920,000 of General Obligation Bonds to be used for the Career and Technical Education remodeling project. The bonds will mature in January 2021.

The School Corporation offered a retirement buy-out to teachers at the end of the 2016-2017 school year. The School Corporation paid \$429,000 to 11 teachers that accepted the offer.

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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.

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 For the Year Ended June 30, 2015

|   | General      | Debt<br>Service | Retirement/<br>Severance<br>Bond<br>Debt<br>Service | Capital<br>Projects | School<br>Transportation | School<br>Bus<br>Replacement | Rainy<br>Day | Retirement/<br>Severance<br>Bond | Post-<br>Retirement/<br>Severance<br>Future<br>Benefits |
|---|--------------|-----------------|---|---------------------|--------------------------|------------------------------|--------------|----------------------------------|---|
| Cash and investments - beginning  | \$ 3,497,171 | \$ 590,412      | \$ 159,321  | \$ 656,064          | \$ 884,613               | \$ 132,641                   | \$ 298,399   | \$ (29,149)                      | \$ -  |
| Receipts:   |              |                 |   |                     |                          |                              |              |                                  |   |
| Local sources   | 62,386       | 968,686         | 201,046   | 714,269             | 782,303                  | 80,813                       | -            | 5,873                            | 7,830   |
| Intermediate sources  | 22           | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| State sources   | 5,463,918    | -               | -   | 80,150              | -                        | -                            | -            | -                                | -   |
| Federal sources   | -            | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Other receipts  | 68,016       | -               | -   | 8,164               | -                        | -                            | -            | -                                | -   |
| Total receipts  | 5,594,342    | 968,686         | 201,046   | 802,583             | 782,303                  | 80,813                       | -            | 5,873                            | 7,830   |
| Disbursements:  |              |                 |   |                     |                          |                              |              |                                  |   |
| Instruction   | 4,214,337    | -               | -   | 11,064              | (87)                     | -                            | -            | 110,614                          | 62,914  |
| Support services  | 1,911,961    | -               | -   | 507,837             | 631,586                  | 122,301                      | -            | 5,126                            | 12,366  |
| Noninstructional services   | 147,662      | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Facilities acquisition and construction   | 22,956       | -               | -   | 150,113             | -                        | -                            | -            | -                                | -   |
| Debt service  | -            | 709,898         | 225,396   | 158,950             | -                        | -                            | -            | -                                | -   |
| Nonprogrammed charges   | -            | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Total disbursements   | 6,296,916    | 709,898         | 225,396   | 827,964             | 631,499                  | 122,301                      | -            | 115,740                          | 75,280  |
| Excess (deficiency) of receipts over disbursements  | (702,574)    | 258,788         | (24,350)  | (25,381)            | 150,804                  | (41,488)                     | -            | (109,867)                        | (67,450)  |
| Other financing sources (uses):   |              |                 |   |                     |                          |                              |              |                                  |   |
| Sale of capital assets  | 547          | -               | -   | -                   | -                        | 3,423                        | -            | -                                | -   |
| Transfers in  | 306,495      | -               | -   | -                   | -                        | -                            | -            | 139,016                          | 147,440   |
| Transfers out   | (183,126)    | (270,809)       | -   | (37,690)            | -                        | -                            | -            | -                                | (139,016)   |
| Total other financing sources (uses)  | 123,916      | (270,809)       | -   | (37,690)            | -                        | 3,423                        | -            | 139,016                          | 8,424   |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (578,658)    | (12,021)        | (24,350)  | (63,071)            | 150,804                  | (38,065)                     | -            | 29,149                           | (59,026)  |
| Cash and investments - ending   | \$ 2,918,513 | \$ 578,391      | \$ 134,971  | \$ 592,993          | \$ 1,035,417             | \$ 94,576                    | \$ 298,399   | \$ -                             | \$ (59,026)   |

WEST WASHINGTON SCHOOL CORPORATION  
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 OTHER FINANCING SOURCES (USES), AND CASH AND  
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|   | School<br>Lunch | Textbook<br>Rental | Levy<br>Excess | Educational<br>License<br>Plates | Proposed<br>Budget<br>Update | WHAS<br>Grant | Formative<br>Assessment | High<br>Ability<br>2013-2014 | High<br>Ability<br>2014-2015 |
|---|-----------------|--------------------|----------------|----------------------------------|------------------------------|---------------|-------------------------|------------------------------|------------------------------|
| Cash and investments - beginning  | \$ (16,259)     | \$ 9,473           | \$ -           | \$ 2,844                         | \$ 242                       | \$ -          | \$ -                    | \$ 456                       | \$ -                         |
| Receipts:   |                 |                    |                |                                  |                              |               |                         |                              |                              |
| Local sources   | 107,699         | 40,761             | 231            | -                                | -                            | 50,000        | -                       | -                            | -                            |
| Intermediate sources  | -               | -                  | -              | 113                              | -                            | -             | -                       | -                            | -                            |
| State sources   | 2,421           | 34,842             | -              | -                                | -                            | -             | -                       | -                            | 28,722                       |
| Federal sources   | 226,646         | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Other receipts  | 500             | 400                | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Total receipts  | 337,266         | 76,003             | 231            | 113                              | -                            | 50,000        | -                       | -                            | 28,722                       |
| Disbursements:  |                 |                    |                |                                  |                              |               |                         |                              |                              |
| Instruction   | -               | -                  | -              | -                                | -                            | -             | -                       | 148                          | 23,356                       |
| Support services  | 704             | 51,156             | -              | -                                | -                            | 50,000        | -                       | 308                          | 5,366                        |
| Noninstructional services   | 383,655         | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Facilities acquisition and construction   | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Debt service  | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Nonprogrammed charges   | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Total disbursements   | 384,359         | 51,156             | -              | -                                | -                            | 50,000        | -                       | 456                          | 28,722                       |
| Excess (deficiency) of receipts over disbursements  | (47,093)        | 24,847             | 231            | 113                              | -                            | -             | -                       | (456)                        | -                            |
| Other financing sources (uses):   |                 |                    |                |                                  |                              |               |                         |                              |                              |
| Sale of capital assets  | -               | 200                | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Transfers in  | 35,640          | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Transfers out   | (35,640)        | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Total other financing sources (uses)  | -               | 200                | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (47,093)        | 25,047             | 231            | 113                              | -                            | -             | -                       | (456)                        | -                            |
| Cash and investments - ending   | \$ (63,352)     | \$ 34,520          | \$ 231         | \$ 2,957                         | \$ 242                       | \$ -          | \$ -                    | \$ -                         | \$ -                         |

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 For the Year Ended June 30, 2015

|   | High Ability<br>2015-2016 | Medicaid<br>Reimbursement -<br>State | Secured<br>Schools<br>Safety<br>Grant | Scholarships<br>and<br>Awards | School<br>Technology | Donations | 2014<br>WWCF<br>Horizons<br>Grant | Jump<br>Start | Digital<br>Learning<br>Grant |
|---|---------------------------|--------------------------------------|---------------------------------------|-------------------------------|----------------------|-----------|-----------------------------------|---------------|------------------------------|
| Cash and investments - beginning  | \$ -                      | \$ 8,826                             | \$ (16,059)                           | \$ 15,932                     | \$ 1,041             | \$ 1,311  | \$ 578                            | \$ 1,987      | \$ -                         |
| Receipts:   |                           |                                      |                                       |                               |                      |           |                                   |               |                              |
| Local sources   | -                         | -                                    | -                                     | 16,574                        | -                    | -         | -                                 | -             | -                            |
| Intermediate sources  | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| State sources   | -                         | 59                                   | 19,834                                | -                             | 3,669                | -         | -                                 | -             | -                            |
| Federal sources   | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Other receipts  | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Total receipts  | -                         | 59                                   | 19,834                                | 16,574                        | 3,669                | -         | -                                 | -             | -                            |
| Disbursements:  |                           |                                      |                                       |                               |                      |           |                                   |               |                              |
| Instruction   | -                         | -                                    | -                                     | -                             | -                    | -         | 578                               | -             | -                            |
| Support services  | -                         | 1,124                                | 62,062                                | 1,630                         | 3,480                | -         | -                                 | -             | -                            |
| Noninstructional services   | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | 1,987         | -                            |
| Facilities acquisition and construction   | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Debt service  | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Nonprogrammed charges   | -                         | -                                    | -                                     | 30,876                        | -                    | -         | -                                 | -             | -                            |
| Total disbursements   | -                         | 1,124                                | 62,062                                | 32,506                        | 3,480                | -         | 578                               | 1,987         | -                            |
| Excess (deficiency) of receipts over disbursements  | -                         | (1,065)                              | (42,228)                              | (15,932)                      | 189                  | -         | (578)                             | (1,987)       | -                            |
| Other financing sources (uses):   |                           |                                      |                                       |                               |                      |           |                                   |               |                              |
| Sale of capital assets  | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Transfers in  | -                         | -                                    | 37,690                                | -                             | -                    | -         | -                                 | -             | -                            |
| Transfers out   | -                         | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Total other financing sources (uses)  | -                         | -                                    | 37,690                                | -                             | -                    | -         | -                                 | -             | -                            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                         | (1,065)                              | (4,538)                               | (15,932)                      | 189                  | -         | (578)                             | (1,987)       | -                            |
| Cash and investments - ending   | \$ -                      | \$ 7,761                             | \$ (20,597)                           | \$ -                          | \$ 1,230             | \$ 1,311  | \$ -                              | \$ -          | \$ -                         |

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|   | Wash. Co.<br>Substance<br>Abuse | Fuel<br>Up To<br>Play 60<br>Grant | Wash. Co.<br>Substance<br>Abuse<br>Grant | Title I<br>2013-2014 | Title I<br>2014-2015 | Title I<br>2015-2016 | Medicaid<br>Reimbursement -<br>Federal | Title II<br>2013-2014 | Title II<br>2014-2015 |
|---|---------------------------------|-----------------------------------|--|----------------------|----------------------|----------------------|--|-----------------------|-----------------------|
| Cash and investments - beginning  | \$ 5,000                        | \$ 4,983                          | \$ -                                     | \$ (10,730)          | \$ -                 | \$ -                 | \$ 12,531                              | \$ (25)               | \$ -                  |
| Receipts:   |                                 |                                   |  |                      |                      |                      |  |                       |                       |
| Local sources   | -                               | -                                 | 5,500                                    | -                    | -                    | -                    | -                                      | -                     | -                     |
| Intermediate sources  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| State sources   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Federal sources   | -                               | -                                 | -  | 10,648               | 209,839              | -                    | 119                                    | -                     | 50,315                |
| Other receipts  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Total receipts  | -                               | -                                 | 5,500                                    | 10,648               | 209,839              | -                    | 119                                    | -                     | 50,315                |
| Disbursements:  |                                 |                                   |  |                      |                      |                      |  |                       |                       |
| Instruction   | -                               | 500                               | -  | (82)                 | 260,252              | -                    | -                                      | (25)                  | 50,315                |
| Support services  | 5,000                           | -                                 | -  | -                    | 897                  | -                    | 1,718                                  | -                     | -                     |
| Noninstructional services   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Facilities acquisition and construction   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Debt service  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Nonprogrammed charges   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Total disbursements   | 5,000                           | 500                               | -  | (82)                 | 261,149              | -                    | 1,718                                  | (25)                  | 50,315                |
| Excess (deficiency) of receipts over disbursements  | (5,000)                         | (500)                             | 5,500                                    | 10,730               | (51,310)             | -                    | (1,599)                                | 25                    | -                     |
| Other financing sources (uses):   |                                 |                                   |  |                      |                      |                      |  |                       |                       |
| Sale of capital assets  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Transfers in  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Transfers out   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Total other financing sources (uses)  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (5,000)                         | (500)                             | 5,500                                    | 10,730               | (51,310)             | -                    | (1,599)                                | 25                    | -                     |
| Cash and investments - ending   | \$ -                            | \$ 4,483                          | \$ 5,500                                 | \$ -                 | \$ (51,310)          | \$ -                 | \$ 10,932                              | \$ -                  | \$ -                  |

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|   | Title II<br>2015-2016 | Rural & Low<br>Income<br>2013-2014 | Rural & Low<br>Income<br>2014-2015 | Rural & Low<br>Income<br>2015-2016 | Rural & Low<br>Income<br>2016-2017 | Petty<br>Cash | Prepaid<br>Lunch | Payroll<br>Withholdings | Totals       |
|---|-----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------|------------------|-------------------------|--------------|
| Cash and investments - beginning  | \$ -                  | \$ -                               | \$ -                               | \$ -                               | \$ -                               | \$ 100        | \$ 2,784         | \$ 182,646              | \$ 6,397,133 |
| Receipts:   |                       |                                    |                                    |                                    |                                    |               |                  |                         |              |
| Local sources   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 3,043,971    |
| Intermediate sources  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 135          |
| State sources   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 5,633,615    |
| Federal sources   | -                     | 46                                 | 8,145                              | -                                  | -                                  | -             | -                | -                       | 505,758      |
| Other receipts  | -                     | -                                  | -                                  | -                                  | -                                  | -             | 82,247           | 1,466,931               | 1,626,258    |
| Total receipts  | -                     | 46                                 | 8,145                              | -                                  | -                                  | -             | 82,247           | 1,466,931               | 10,809,737   |
| Disbursements:  |                       |                                    |                                    |                                    |                                    |               |                  |                         |              |
| Instruction   | -                     | -                                  | 2,000                              | -                                  | -                                  | -             | -                | -                       | 4,735,884    |
| Support services  | -                     | 46                                 | 12,171                             | -                                  | -                                  | -             | -                | -                       | 3,386,839    |
| Noninstructional services   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 533,304      |
| Facilities acquisition and construction   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 173,069      |
| Debt service  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 1,094,244    |
| Nonprogrammed charges   | -                     | -                                  | -                                  | -                                  | -                                  | -             | 79,627           | 1,479,101               | 1,589,604    |
| Total disbursements   | -                     | 46                                 | 14,171                             | -                                  | -                                  | -             | 79,627           | 1,479,101               | 11,512,944   |
| Excess (deficiency) of receipts over disbursements  | -                     | -                                  | (6,026)                            | -                                  | -                                  | -             | 2,620            | (12,170)                | (703,207)    |
| Other financing sources (uses):   |                       |                                    |                                    |                                    |                                    |               |                  |                         |              |
| Sale of capital assets  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 4,170        |
| Transfers in  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 666,281      |
| Transfers out   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | (666,281)    |
| Total other financing sources (uses)  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 4,170        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                     | -                                  | (6,026)                            | -                                  | -                                  | -             | 2,620            | (12,170)                | (699,037)    |
| Cash and investments - ending   | \$ -                  | \$ -                               | \$ (6,026)                         | \$ -                               | \$ -                               | \$ 100        | \$ 5,404         | \$ 170,476              | \$ 5,698,096 |

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 For the Year Ended June 30, 2016

|   | General      | Debt<br>Service | Retirement/<br>Severance<br>Bond<br>Debt<br>Service | Capital<br>Projects | School<br>Transportation | School<br>Bus<br>Replacement | Rainy<br>Day | Retirement/<br>Severance<br>Bond | Post-<br>Retirement/<br>Severance<br>Future<br>Benefits |
|---|--------------|-----------------|---|---------------------|--------------------------|------------------------------|--------------|----------------------------------|---|
| Cash and investments - beginning  | \$ 2,918,513 | \$ 578,391      | \$ 134,971  | \$ 592,993          | \$ 1,035,417             | \$ 94,576                    | \$ 298,399   | \$ -                             | \$ (59,026)   |
| Receipts:   |              |                 |   |                     |                          |                              |              |                                  |   |
| Local sources   | 69,266       | 880,603         | 230,445   | 745,730             | 690,825                  | 154,196                      | 24,994       | -                                | -   |
| Intermediate sources  | 24           | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| State sources   | 5,389,802    | -               | -   | 78,800              | -                        | -                            | -            | -                                | -   |
| Federal sources   | -            | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Other receipts  | 180,917      | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Total receipts  | 5,640,009    | 880,603         | 230,445   | 824,530             | 690,825                  | 154,196                      | 24,994       | -                                | -   |
| Disbursements:  |              |                 |   |                     |                          |                              |              |                                  |   |
| Instruction   | 4,058,258    | -               | -   | (2,218)             | -                        | -                            | -            | -                                | 49,626  |
| Support services  | 1,663,457    | -               | -   | 536,942             | 593,473                  | 187,437                      | -            | -                                | 9,311   |
| Noninstructional services   | 142,280      | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Facilities acquisition and construction   | 189,867      | -               | -   | 158,474             | -                        | -                            | -            | -                                | -   |
| Debt service  | 14,594       | 998,584         | 226,445   | -                   | -                        | -                            | -            | -                                | -   |
| Nonprogrammed charges   | -            | -               | -   | -                   | -                        | -                            | -            | -                                | -   |
| Total disbursements   | 6,068,456    | 998,584         | 226,445   | 693,198             | 593,473                  | 187,437                      | -            | -                                | 58,937  |
| Excess (deficiency) of receipts over disbursements  | (428,447)    | (117,981)       | 4,000   | 131,332             | 97,352                   | (33,241)                     | 24,994       | -                                | (58,937)  |
| Other financing sources (uses):   |              |                 |   |                     |                          |                              |              |                                  |   |
| Sale of capital assets  | 1,684        | -               | -   | 570                 | -                        | -                            | -            | -                                | -   |
| Transfers in  | 242          | -               | -   | -                   | 231                      | -                            | 200,000      | -                                | 117,963   |
| Transfers out   | (181,965)    | (24,030)        | -   | -                   | (200,000)                | -                            | -            | -                                | -   |
| Total other financing sources (uses)  | (180,039)    | (24,030)        | -   | 570                 | (199,769)                | -                            | 200,000      | -                                | 117,963   |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (608,486)    | (142,011)       | 4,000   | 131,902             | (102,417)                | (33,241)                     | 224,994      | -                                | 59,026  |
| Cash and investments - ending   | \$ 2,310,027 | \$ 436,380      | \$ 138,971  | \$ 724,895          | \$ 933,000               | \$ 61,335                    | \$ 523,393   | \$ -                             | \$ -  |

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

|   | School<br>Lunch | Textbook<br>Rental | Levy<br>Excess | Educational<br>License<br>Plates | Proposed<br>Budget<br>Update | WHAS<br>Grant | Formative<br>Assessment | High<br>Ability<br>2013-2014 | High<br>Ability<br>2014-2015 |
|---|-----------------|--------------------|----------------|----------------------------------|------------------------------|---------------|-------------------------|------------------------------|------------------------------|
| Cash and investments - beginning  | \$ (63,352)     | \$ 34,520          | \$ 231         | \$ 2,957                         | \$ 242                       | \$ -          | \$ -                    | \$ -                         | \$ -                         |
| Receipts:   |                 |                    |                |                                  |                              |               |                         |                              |                              |
| Local sources   | 105,320         | 40,802             | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Intermediate sources  | -               | -                  | -              | 37                               | -                            | -             | -                       | -                            | -                            |
| State sources   | 2,497           | 32,067             | -              | -                                | -                            | -             | 10,121                  | -                            | -                            |
| Federal sources   | 274,403         | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Other receipts  | 850             | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Total receipts  | 383,070         | 72,869             | -              | 37                               | -                            | -             | 10,121                  | -                            | -                            |
| Disbursements:  |                 |                    |                |                                  |                              |               |                         |                              |                              |
| Instruction   | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Support services  | 1,021           | 87,575             | -              | 2,994                            | -                            | -             | 2,473                   | -                            | -                            |
| Noninstructional services   | 363,668         | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Facilities acquisition and construction   | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Debt service  | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Nonprogrammed charges   | -               | -                  | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Total disbursements   | 364,689         | 87,575             | -              | 2,994                            | -                            | -             | 2,473                   | -                            | -                            |
| Excess (deficiency) of receipts over disbursements  | 18,381          | (14,706)           | -              | (2,957)                          | -                            | -             | 7,648                   | -                            | -                            |
| Other financing sources (uses):   |                 |                    |                |                                  |                              |               |                         |                              |                              |
| Sale of capital assets  | -               | 180                | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Transfers in  | 52,332          | 24,030             | -              | -                                | -                            | -             | -                       | -                            | -                            |
| Transfers out   | -               | -                  | (231)          | -                                | (242)                        | -             | -                       | -                            | -                            |
| Total other financing sources (uses)  | 52,332          | 24,210             | (231)          | -                                | (242)                        | -             | -                       | -                            | -                            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 70,713          | 9,504              | (231)          | (2,957)                          | (242)                        | -             | 7,648                   | -                            | -                            |
| Cash and investments - ending   | \$ 7,361        | \$ 44,024          | \$ -           | \$ -                             | \$ -                         | \$ -          | \$ 7,648                | \$ -                         | \$ -                         |

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

|   | High<br>Ability<br>2015-2016 | Medicaid<br>Reimbursement -<br>State | Secured<br>Schools<br>Safety<br>Grant | Scholarships<br>and<br>Awards | School<br>Technology | Donations | 2014<br>WWCF<br>Horizons<br>Grant | Jump<br>Start | Digital<br>Learning<br>Grant |
|---|------------------------------|--------------------------------------|---------------------------------------|-------------------------------|----------------------|-----------|-----------------------------------|---------------|------------------------------|
| Cash and investments - beginning  | \$ -                         | \$ 7,761                             | \$ (20,597)                           | \$ -                          | \$ 1,230             | \$ 1,311  | \$ -                              | \$ -          | \$ -                         |
| Receipts:   |                              |                                      |                                       |                               |                      |           |                                   |               |                              |
| Local sources   | -                            | -                                    | -                                     | 15,268                        | -                    | 2,550     | -                                 | -             | -                            |
| Intermediate sources  | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| State sources   | 28,774                       | -                                    | 11,629                                | -                             | 4,404                | -         | -                                 | -             | -                            |
| Federal sources   | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Other receipts  | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Total receipts  | 28,774                       | -                                    | 11,629                                | 15,268                        | 4,404                | 2,550     | -                                 | -             | -                            |
| Disbursements:  |                              |                                      |                                       |                               |                      |           |                                   |               |                              |
| Instruction   | 25,746                       | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | 3,052                        |
| Support services  | 509                          | 1,614                                | 10,986                                | 250                           | 3,480                | 1,311     | -                                 | -             | 2,587                        |
| Noninstructional services   | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Facilities acquisition and construction   | -                            | -                                    | 4,680                                 | -                             | -                    | 1,300     | -                                 | -             | -                            |
| Debt service  | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Nonprogrammed charges   | -                            | -                                    | -                                     | 14,968                        | -                    | -         | -                                 | -             | -                            |
| Total disbursements   | 26,255                       | 1,614                                | 15,666                                | 15,218                        | 3,480                | 2,611     | -                                 | -             | 5,639                        |
| Excess (deficiency) of receipts over disbursements  | 2,519                        | (1,614)                              | (4,037)                               | 50                            | 924                  | (61)      | -                                 | -             | (5,639)                      |
| Other financing sources (uses):   |                              |                                      |                                       |                               |                      |           |                                   |               |                              |
| Sale of capital assets  | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Transfers in  | -                            | -                                    | 11,670                                | -                             | -                    | -         | -                                 | -             | -                            |
| Transfers out   | -                            | -                                    | -                                     | -                             | -                    | -         | -                                 | -             | -                            |
| Total other financing sources (uses)  | -                            | -                                    | 11,670                                | -                             | -                    | -         | -                                 | -             | -                            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,519                        | (1,614)                              | 7,633                                 | 50                            | 924                  | (61)      | -                                 | -             | (5,639)                      |
| Cash and investments - ending   | \$ 2,519                     | \$ 6,147                             | \$ (12,964)                           | \$ 50                         | \$ 2,154             | \$ 1,250  | \$ -                              | \$ -          | \$ (5,639)                   |

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

|   | Wash. Co.<br>Substance<br>Abuse | Fuel<br>Up To<br>Play 60<br>Grant | Wash. Co.<br>Substance<br>Abuse<br>Grant | Title I<br>2013-2014 | Title I<br>2014-2015 | Title I<br>2015-2016 | Medicaid<br>Reimbursement -<br>Federal | Title II<br>2013-2014 | Title II<br>2014-2015 |
|---|---------------------------------|-----------------------------------|--|----------------------|----------------------|----------------------|--|-----------------------|-----------------------|
| Cash and investments - beginning  | \$ -                            | \$ 4,483                          | \$ 5,500                                 | \$ -                 | \$ (51,310)          | \$ -                 | \$ 10,932                              | \$ -                  | \$ -                  |
| Receipts:   |                                 |                                   |  |                      |                      |                      |  |                       |                       |
| Local sources   | -                               | -                                 | 3,000                                    | -                    | -                    | -                    | -                                      | -                     | -                     |
| Intermediate sources  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| State sources   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Federal sources   | -                               | -                                 | -  | -                    | 57,295               | 222,728              | -                                      | -                     | -                     |
| Other receipts  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Total receipts  | -                               | -                                 | 3,000                                    | -                    | 57,295               | 222,728              | -                                      | -                     | -                     |
| Disbursements:  |                                 |                                   |  |                      |                      |                      |  |                       |                       |
| Instruction   | -                               | 1,198                             | -  | -                    | 4,605                | 255,186              | -                                      | -                     | -                     |
| Support services  | -                               | -                                 | 5,500                                    | -                    | 1,380                | 20                   | 3,497                                  | -                     | -                     |
| Noninstructional services   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Facilities acquisition and construction   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Debt service  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Nonprogrammed charges   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Total disbursements   | -                               | 1,198                             | 5,500                                    | -                    | 5,985                | 255,206              | 3,497                                  | -                     | -                     |
| Excess (deficiency) of receipts over<br>disbursements   | -                               | (1,198)                           | (2,500)                                  | -                    | 51,310               | (32,478)             | (3,497)                                | -                     | -                     |
| Other financing sources (uses):   |                                 |                                   |  |                      |                      |                      |  |                       |                       |
| Sale of capital assets  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Transfers in  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Transfers out   | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Total other financing sources (uses)  | -                               | -                                 | -  | -                    | -                    | -                    | -                                      | -                     | -                     |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | -                               | (1,198)                           | (2,500)                                  | -                    | 51,310               | (32,478)             | (3,497)                                | -                     | -                     |
| Cash and investments - ending   | \$ -                            | \$ 3,285                          | \$ 3,000                                 | \$ -                 | \$ -                 | \$ (32,478)          | \$ 7,435                               | \$ -                  | \$ -                  |

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

|   | Title II<br>2015-2016 | Rural & Low<br>Income<br>2013-2014 | Rural & Low<br>Income<br>2014-2015 | Rural & Low<br>Income<br>2015-2016 | Rural & Low<br>Income<br>2016-2017 | Petty<br>Cash | Prepaid<br>Lunch | Payroll<br>Withholdings | Totals       |
|---|-----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------|------------------|-------------------------|--------------|
| Cash and investments - beginning  | \$ -                  | \$ -                               | \$ (6,026)                         | \$ -                               | \$ -                               | \$ 100        | \$ 5,404         | \$ 170,476              | \$ 5,698,096 |
| Receipts:   |                       |                                    |                                    |                                    |                                    |               |                  |                         |              |
| Local sources   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 2,962,999    |
| Intermediate sources  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 61           |
| State sources   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 5,558,094    |
| Federal sources   | 47,221                | -                                  | 8,848                              | 3,480                              | -                                  | -             | -                | -                       | 613,975      |
| Other receipts  | -                     | -                                  | -                                  | -                                  | -                                  | -             | 79,529           | 1,392,028               | 1,653,324    |
| Total receipts  | 47,221                | -                                  | 8,848                              | 3,480                              | -                                  | -             | 79,529           | 1,392,028               | 10,788,453   |
| Disbursements:  |                       |                                    |                                    |                                    |                                    |               |                  |                         |              |
| Instruction   | 52,099                | -                                  | -                                  | 1,645                              | 224                                | -             | -                | -                       | 4,449,421    |
| Support services  | -                     | -                                  | 2,822                              | 3,535                              | 9,000                              | -             | -                | -                       | 3,131,174    |
| Noninstructional services   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 505,948      |
| Facilities acquisition and construction   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 354,321      |
| Debt service  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 1,239,623    |
| Nonprogrammed charges   | -                     | -                                  | -                                  | -                                  | -                                  | -             | 81,064           | 1,450,095               | 1,546,127    |
| Total disbursements   | 52,099                | -                                  | 2,822                              | 5,180                              | 9,224                              | -             | 81,064           | 1,450,095               | 11,226,614   |
| Excess (deficiency) of receipts over disbursements  | (4,878)               | -                                  | 6,026                              | (1,700)                            | (9,224)                            | -             | (1,535)          | (58,067)                | (438,161)    |
| Other financing sources (uses):   |                       |                                    |                                    |                                    |                                    |               |                  |                         |              |
| Sale of capital assets  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 2,434        |
| Transfers in  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 406,468      |
| Transfers out   | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | (406,468)    |
| Total other financing sources (uses)  | -                     | -                                  | -                                  | -                                  | -                                  | -             | -                | -                       | 2,434        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (4,878)               | -                                  | 6,026                              | (1,700)                            | (9,224)                            | -             | (1,535)          | (58,067)                | (435,727)    |
| Cash and investments - ending   | \$ (4,878)            | \$ -                               | \$ -                               | \$ (1,700)                         | \$ (9,224)                         | \$ 100        | \$ 3,869         | \$ 112,409              | \$ 5,262,369 |

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2016

| Lessor  | Purpose                                      | Annual<br>Lease<br>Payment | Lease<br>Beginning<br>Date | Lease<br>Ending<br>Date |
|---|--|----------------------------|----------------------------|-------------------------|
| Governmental activities:                              |  |                            |                            |                         |
| West Washington Community School Building Corporation | Building wide roof replacement               | \$ 125,524                 | 6/30/2004                  | 12/27/2017              |
| West Washington Community School Building Corporation | Building wide roof replacement               | 118,880                    | 6/30/2004                  | 11/13/2017              |
| West Washington Community School Building Corporation | West Washington Elementary School Renovation | 69,266                     | 6/30/2006                  | 6/30/2021               |
| West Washington Community School Building Corporation | West Washington Elementary School Renovation | <u>63,950</u>              | 6/30/2003                  | 12/31/2016              |
| Total governmental activities                         |  | <u>377,620</u>             |                            |                         |
| Total of annual lease payments                        |  | <u>\$ 377,620</u>          |                            |                         |

| Type                          | Description of Debt<br>Purpose | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|-------------------------------|--------------------------------|--------------------------------|---|
| Governmental activities:      |                                |                                |   |
| General obligation bonds      | Pension Bonds 2004             | \$ 710,000                     | \$ 114,645  |
| Notes and loans payable       | Common School A0489            | 3,599,203                      | 389,707   |
| Notes and loans payable       | Common School A1855            | 66,792                         | 27,318  |
| Notes and loans payable       | Common School A1961            | <u>65,667</u>                  | <u>26,858</u>                                       |
| Total governmental activities |                                | <u>4,441,662</u>               | <u>558,528</u>                                      |
| Totals                        |                                | <u>\$ 4,441,662</u>            | <u>\$ 558,528</u>                                   |

WEST WASHINGTON SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2016

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

|                                    | Ending<br>Balance           |
|------------------------------------|-----------------------------|
| Governmental activities:           |                             |
| Land                               | \$ 120,075                  |
| Infrastructure                     | 490,675                     |
| Buildings                          | 11,446,826                  |
| Improvements other than buildings  | 8,255,096                   |
| Machinery, equipment, and vehicles | 2,204,746                   |
| Books and other                    | <u>203,608</u>              |
| Total governmental activities      | <u>22,721,026</u>           |
| Total capital assets               | <u><u>\$ 22,721,026</u></u> |

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE WEST WASHINGTON SCHOOL  
CORPORATION, WASHINGTON COUNTY, INDIANA

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

We have audited the West Washington School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003, 2016-005, 2016-006, 2016-007, and 2016-008. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

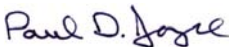
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, and 2016-008, to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

April 4, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Pass-Through<br>To Subrecipient<br>06-30-15 | Total<br>Federal Awards<br>Expended<br>06-30-15 | Pass-Through<br>To Subrecipient<br>06-30-16 | Total<br>Federal Awards<br>Expended<br>06-30-16 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| <u>Department of Agriculture</u>                                    |                                     |                           |  |   |   |   |   |
| Child Nutrition Cluster   |                                     |                           |  |   |   |   |   |
| School Breakfast Program  | Indiana Department of Education     |                           |  |   |   |   |   |
| School Breakfast Program  |                                     | 10.553                    | FY 14-15   | \$ -  | \$ 59,681                                       | \$ -  | \$ -  |
| School Breakfast Program  |                                     | 10.553                    | FY 15-16   | -   | -   | -   | 78,855  |
| Total - School Breakfast Program                                    |                                     |                           |  | -   | 59,681  | -   | 78,855  |
| National School Lunch Program                                       |                                     |                           |  |   |   |   |   |
| National School Lunch Program                                       | Indiana Department of Education     |                           |  |   |   |   |   |
| National School Lunch Program                                       |                                     | 10.555                    | FY 14-15   | -   | 166,965   | -   | -   |
| National School Lunch Program                                       |                                     | 10.555                    | FY 15-16   | -   | -   | -   | 195,548   |
| Commodities   |                                     | 10.555                    | FY 14-15   | -   | 23,018  | -   | -   |
| Commodities   |                                     | 10.555                    | FY 15-16   | -   | -   | -   | 20,871  |
| Total - National School Lunch Program                               |                                     |                           |  | -   | 189,983   | -   | 216,419   |
| Total - Child Nutrition Cluster                                     |                                     |                           |  | -   | 249,664   | -   | 295,274   |
| Total - Department of Agriculture                                   |                                     |                           |  | -   | 249,664   | -   | 295,274   |
| <u>Department of Education</u>                                      |                                     |                           |  |   |   |   |   |
| Special Education Cluster (IDEA)                                    |                                     |                           |  |   |   |   |   |
| Special Education Grants to States                                  |                                     |                           |  |   |   |   |   |
| Special Education Grants to States                                  | Indiana Department of Education     |                           |  |   |   |   |   |
| Special Education Grants to States                                  |                                     | 84.027                    | 14213-056-PN01   | -   | 44  | -   | -   |
| Special Education Grants to States                                  |                                     | 84.027                    | 14214-056-PN01   | -   | 60,880  | -   | 343   |
| Special Education Grants to States                                  |                                     | 84.027                    | 14215-056-PN01   | -   | 170,722   | -   | 60,109  |
| Special Education Grants to States                                  |                                     | 84.027                    | 14216-054-PN01   | -   | -   | -   | 151,855   |
| Special Education Grants to States                                  |                                     | 84.027                    | 99914-056-PN01   | -   | 1,168   | -   | 1,954   |
| Total - Special Education Grants to States                          |                                     |                           |  | -   | 232,814   | -   | 214,261   |
| Special Education Preschool Grants                                  |                                     |                           |  |   |   |   |   |
| Special Education Preschool Grants                                  | Indiana Department of Education     |                           |  |   |   |   |   |
| Special Education Preschool Grants                                  |                                     | 84.173                    | 45714-056-PN01   | -   | 4,439   | -   | -   |
| Special Education Preschool Grants                                  |                                     | 84.173                    | 45715-056-PN01   | -   | 4,434   | -   | 4,689   |
| Special Education Preschool Grants                                  |                                     | 84.173                    | 45716-056-PN01   | -   | -   | -   | 4,756   |
| Total - Special Education Preschool Grants                          |                                     |                           |  | -   | 8,873   | -   | 9,445   |
| Total - Special Education Cluster (IDEA)                            |                                     |                           |  | -   | 241,687   | -   | 223,706   |

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

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Pass-Through<br>To Subrecipient<br>06-30-15 | Total<br>Federal Awards<br>Expended<br>06-30-15 | Pass-Through<br>To Subrecipient<br>06-30-16 | Total<br>Federal Awards<br>Expended<br>06-30-16 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| Title I Grants to Local Educational Agencies                        | Indiana Department of Education     |                           |  |   |   |   |   |
| Title I Grants to Local Educational Agencies                        |                                     | 84.010                    | 14-8220  | -   | 10,648  | -   | -   |
| Title I Grants to Local Educational Agencies                        |                                     | 84.010                    | 15-8220  | -   | 209,839   | -   | 57,295  |
| Title I Grants to Local Educational Agencies                        |                                     | 84.010                    | 16-8220  | -   | -   | -   | 222,729   |
| Total - Title I Grants to Local Educational Agencies                |                                     |                           |  | -   | 220,487   | -   | 280,024   |
| Rural Education   |                                     |                           |  |   |   |   |   |
| Rural and Low Income  | Indiana Department of Education     |                           |  |   |   |   |   |
| Rural & Low Income  |                                     | 84.358                    | FY 12  | -   | 46  | -   | -   |
| Rural & Low Income  |                                     | 84.358                    | FY 13  | -   | 8,145   | -   | 8,848   |
| Rural & Low Income  |                                     | 84.358                    | FY 14  | -   | -   | -   | 3,480   |
| Rural & Low Income  |                                     |                           |  | -   | 8,191   | -   | 12,328  |
| Total - Rural & Low Income  |                                     |                           |  | -   | 8,191   | -   | 12,328  |
| Improving Teacher Quality State Grants                              |                                     |                           |  |   |   |   |   |
| Improving Teacher Quality State Grants                              | Indiana Department of Education     |                           |  |   |   |   |   |
| Improving Teacher Quality State Grants                              |                                     | 84.367                    | FY 2013  | -   | 50,315  | -   | -   |
| Improving Teacher Quality State Grants                              |                                     | 84.367                    | FY 2014  | -   | -   | -   | 47,221  |
| Total - Improving Teacher Quality State Grants                      |                                     |                           |  | -   | 50,315  | -   | 47,221  |
| Total - Department of Education                                     |                                     |                           |  | -   | 520,680   | -   | 563,279   |
| Total federal awards expended                                       |                                     |                           |  | \$ -  | \$ 770,344                                      | \$ -  | \$ 858,553                                      |

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

WEST WASHINGTON SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 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 the South Central Area Special Education Cooperative (Cooperative). The Cooperative operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

| CFDA<br>Number | Name of Federal Program or Cluster  |
|----------------|---|
| 84.010         | Child Nutrition Cluster<br>Title I Grants to Local Educational Agencies<br>Special Education Cluster (IDEA) |

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

|  |    |
|--|----|
| Auditee qualified as low-risk auditee? | no |
|--|----|

**Section II - Financial Statement Findings**

**FINDING 2016-001**

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

*Repeat Finding*

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2015. The School Corporation implemented internal controls during January 2016 and the SEFA for fiscal year 2016 was materially accurate.

*Context*

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster was excluded from the SEFA in the amount of \$249,664 for fiscal year 2015 and overstated in the amount of \$2,453 for fiscal year 2016.
2. The Special Education Cluster (IDEA) was excluded from the SEFA in the amount of \$241,687 for fiscal year 2015.
3. The Title I Grants to Local Educational Agencies were overstated by \$46,647 for fiscal year 2015 and understated by \$18,831 for fiscal year 2016.
4. The Rural Education grant was overstated in the amounts of \$8,802 for fiscal year 2015 and \$4,898 for fiscal year 2016.
5. The Improving Teacher Quality State Grants program was overstated in the amount of \$4,510 for fiscal year 2016.
6. The High Ability Grant was erroneously reported on the SEFA in the amount of \$28,722. This is a state grant and not a federal grant.
7. Several grants were identified as direct grants when they were actually grants passed through the Indiana Department of Education.

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

*Criteria*

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

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

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

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

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

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

*Cause*

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

*Effect*

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

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

*Views of Responsible Officials*

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

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

**FINDING 2016-002**

Subject: Child Nutrition Cluster - Program Income, 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  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Program Income, Reporting, Special Tests and Provisions -  
Verification of Free and Reduced Price Applications (NSLP)  
Audit Finding: Material Weakness

*Condition*

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

*Program Income*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded. A Prepaid Food Account, Fund 8400, was established to account for prepaid food, but the account was not being reconciled to the detail of account balances. An oversight, review, or approval process had not been established.

*Reporting*

An effective internal control system was not in place to ensure that the monthly Sponsor Claim (claims for reimbursement), Annual Financial Reports, and School Food Authority (SFA) Verification Collection Reports were accurately prepared and submitted. An oversight, review, or approval process had not been established.

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

An effective internal control system was not in place to ensure that verification of free and reduced price applications was completed and that the supporting documentation of the verification process was retained and available for audit. An oversight, review, or approval process had not been established.

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The lack of controls was a systemic problem 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*

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 above mentioned compliance requirements. Noncompliance with the grant agreement and the compliance requirements could have resulted in the loss of federal funds.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2016-003***

Subject: National School Lunch Program - Special Tests  
and Provisions - Paid Lunch Equity  
Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program  
CFDA Number: 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity  
Audit Findings: Material Weakness, Other Matters

*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 Special Tests and Provisions - Paid Lunch Equity compliance requirement. The School Corporation did not keep the paid lunch equity calculation for fiscal year 2015 and did not adjust the prices to agree with the calculation for fiscal year 2016.

*Context*

The School Corporation adjusted the paid lunch prices to the maximum amount of 10 cents for fiscal year 2015, but they did not keep the Paid Lunch Equity calculations for that year. For fiscal year 2016, the School Corporation maintained the Paid Lunch Equity calculations which required the maximum increase of 10 cents. However, the School Corporation increased the prices 25 cents. School Corporation officials indicated the increase was recommended by the Indiana Department of Education; however, supporting documentation could not be located.

*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). . . ."

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

7 CFR 210.15(b) states in part:

"*Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

(6) Records to document compliance with the requirements in § 210.14(e); . . ."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . .

(4) *Price Adjustments.* (i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Effect*

The failure to establish controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management develop and implement procedures and establish controls to ensure compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement. The School Corporation should also retain all future Paid Lunch Equity calculations.

*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: Title I Grants to Local Educational Agencies - Cash Management and Reporting  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 14-8220, 15-8220, 16-8220  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

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

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management and Reporting.

The School Corporation had not designed or implemented adequate policies or procedures to ensure that reimbursement requests and required reports were accurately prepared. One person was responsible for preparing and submitting the reimbursement requests and reports. There was no evidence to suggest proper segregation of duties such as an oversight or approval process.

*Context*

The lack of controls was a systemic problem, occurring 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. . . ."

WEST WASHINGTON SCHOOL CORPORATION  
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). . . ."

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the above mentioned compliance requirements. Noncompliance with the grant agreement and the compliance requirements could have resulted in the loss of federal funds.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-005**

Subject: Title I Grants to Local Educational Agencies - Special  
Tests and Provisions - Schoolwide Programs

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-8220, 15-8220, 16-8220

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Schoolwide Programs

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-004.

WEST WASHINGTON SCHOOL CORPORATION  
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 Special Tests and Provisions - Schoolwide Programs compliance requirement.

*Context*

The School Corporation operated a schoolwide Title I program. One of the core elements of a schoolwide program is that an annual evaluation on the implementation of and the results achieved by the schoolwide program must be completed. The evaluation should include a Comprehensive Needs Assessment of the Entire School, Comprehensive Plan Based on Data from the Needs Assessment, Annual Evaluation of the Results Achieved by the Schoolwide Program, and Revision of the Schoolwide Plan Based on that Evaluation.

There was no evidence that an annual evaluation of the schoolwide Title I program had been completed for the period audited. This was a systemic problem for the entire 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). . . ."

34 CFR 200.26 states in part:

"(a) *Comprehensive needs assessment.* . . .

(b) *Comprehensive plan.* . . .

(c) *Evaluation.* A school operating a schoolwide program must -

(1) Annually evaluate the implementation of, and results achieved by, the schoolwide program, using data from the State's annual assessments and other indicators of academic achievement;

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) Determine whether the schoolwide program has been effective in increasing the achievement of students in meeting the State's academic standards, particularly for those students who had been furthest from achieving the standards; and
- (3) Revise the plan, as necessary, based on the results of the evaluation, to ensure continuous improvement of students in the schoolwide program."

*Cause*

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

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-006**

Subject: Special Education Cluster (IDEA) - Cash Management and Reporting

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-006.

*Condition*

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

*Context*

The amount requested for reimbursement and the reported amount of total expenses to date did not consistently agree to supporting documentation for four of the eight reimbursement requests tested for fiscal year 2015. Although supporting documentation for some individual reimbursement requests did not agree, in total the amounts claimed for reimbursement for each individual grant agreed to the applicable grant award amounts.

*Criteria*

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

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

34 CFR 80.20(b) states in part:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

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

*Cause*

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2016-007**

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-056-PN01, 14216-054-PN01,  
45715-056-PN01, 45716-054-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

*Condition*

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

An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

No Semi-Annual Certifications or records of activity for School Corporation employees that were paid solely from special education funds were maintained during the audit period. No personal activity reports or records of activity for School Corporation employees paid from multiple cost objectives were maintained during the audit period.

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

No evidence was presented that Semi-Annual Certifications or records of activity were completed and certified during the audit period for any employees who were paid solely from special education funds. No evidence was presented that personal activity reports or records of activity were prepared and signed during the audit period for any employees who were paid from multiple cost objectives. In addition, no records of activity were presented for audit for any employees paid either solely or partially from special education funds.

*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 of Internal Control in the Federal Government' issued by the Comptroller General for 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 8h states in part:

". . . (3) 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 semiannually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (See subsection (6)) or other substitute system has been approved by the cognizant Federal agency. . . ."

2CFR 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;

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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 are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management of the School Corporation 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 placed the School Corporation in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management develop and implement procedures and establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2016-008**

Subject: Special Education Grants to States - Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-056-PN01, 14214-056-PN01,  
14215-056-PN01, 14216-056-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

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

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

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

*Context*

There were three contracts during fiscal year 2015 and three contracts during fiscal year 2016 that exceeded \$25,000; however, the Cooperative did not verify that the vendors were not suspended or debarred prior to awarding these contracts for covered transactions.

*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 of Internal Control in the Federal Government' issued by the Comptroller General for the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 180.300 states:

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

WEST WASHINGTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

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

# West Washington School Corporation

8026 W. Batt Rd., Campbellsburg, Indiana 47108  
Phone 812-755-4872 Fax 812-755-4843

**Keith A. Nance**  
Superintendent  
nancek@wwcs.k12.in.us

**Carol Hoar**  
Secretary  
hoarc@wwcs.k12.in.us

**Vickie Nice**  
Treasurer  
nicev@wwcs.k12.in.us

**Barb Davis**  
Deputy Treasurer  
davisb@wwcs.k12.in.us

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2014-002**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jadeena Young  
Contact Phone Number: 812-755-4934

#### Status of Audit Finding:

The semi-annual certification form has been modified to include the Title I Coordinator's signature, the building administrator's signature, and the employee's initials. a document was created to attest that 100% of the employee's time is spent on authorized Title I activities.

Completion Date: Completed February 2018

All Title I employees have a schedule for each day; the paraprofessionals also complete a log for when they go into the intermediate classrooms.

Completion Date: Completed in 2014. Effective August 2018 for the 2018-2019 school year, each Title I position will have a job description including a list of duties so they will be in compliance with the Title I grant agreement.

### **FINDING 2014-003**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Vickie Nice/Keith Nance  
Contact Phone Number: 812-755-4872

#### Status of Audit Finding:

Reports are prepared by the Corporation Treasurer and reviewed/signed by Superintendent prior to submission.

Completion Date: Immediately after audit results

**FINDING 2014-004**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jadeena Young  
Contact Phone Number: 812-755-4934

**Status of Audit Finding:**

All students in grades K-2 were given a Dibels test and students in grades 3-6 were given Acuity. Scores were then used to determine a student's participation in the Title I program. When West Washington Elementary adopted I-Ready Math series, they began to use the diagnostic test that came with the program. With ESSA, schoolwide programs no longer have to test students since the entire school is Title I, but classroom teachers continue to use the I-Ready Language Arts diagnostic test and their recommendations to determine which students participate in any pull out intervention.

Completion Date: Acuity and Dibels, effective 2014. I-Ready diagnostic tests utilized August 2016.

**FINDING 2014-005**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jana Russell/Mary Anne Knapp  
Contact Phone Number: 812-755-4996

**Status of Audit Finding:**

In reference to the Withdrawal of Students the following steps are followed:

**Withdrawal with no given notice:**

1. When a student is absent for one (1) day, the Attendance Clerk contacts parents/guardian if prior notice has not been given.
2. After two (2) days of no contact, a wellness check through our local sheriff's dept. is requested.
3. We contact previous school that the child has attended to see if they have returned.
4. If determined that child/parent/guardian has moved, and no forward address or phone number is given, we attempt to contact other family members/work numbers. If no contact is made, Child Protective Services will be contacted.
5. If necessary we report to Clearinghouse for Information on Missing Children. Fortunately we have not had to resort to this action.
6. When contact is made with student:
  - A) Parent/Guardian is asked to come to school to officially withdraw student, or
  - B) Withdrawal papers are mailed, via US Mail, with return stamped envelope enclosed. If paperwork is not returned, a second mailing goes out via Certified Mail. All documentation with tracking numbers is kept.

### **Withdrawal with Exit Conference**

1. When a student is withdrawing and parents/guardians arrive at school, the "West Washington Jr/Sr High School, Student Withdrawal Form" is filled out by parents or by students who are 18 years of age.
2. Reason for Withdrawal is chosen and the proper lines are completed.
3. If Illness is stated as reason for withdrawal, we require proper documentation from a licensed physician.
4. Form is signed by all parties including the attending Principal.

### **Withdrawal with New School Notification**

1. Once a student enrolls in a new school, a request for student records should follow. All pertinent information is then forwarded to the new school. This serves as notification to un-enroll said student.

### ***FINDING 2014-006***

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE

Contact Person Responsible for Corrective Action: Amy Bollinger/Keith Nance

Contact Phone Number: 812-723-2089, 812-755-4872

#### **Status of Audit Finding:**

The Special Education Co-op has established procedures to ensure expenditures are incurred and/or paid prior to requesting the reimbursement and that reports will be filed accurately. Reimbursement requests and reports are supported by expenditure or appropriation report and reviewed by the Special Education Co-Op director and the Treasurer before submission. This will ensure that reimbursement grant expenditures are paid prior to the date that the reimbursement is claimed and amounts claimed and reported agree to supporting documentation in accordance with Cash Management and Reporting requirements.

Completion Date: Immediately after audit results.

# West Washington School Corporation

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nancek@wwcs.k12.in.us

**Carol Hoar**  
Secretary  
hoarc@wwcs.k12.in.us

**Vickie Nice**  
Treasurer  
nicev@wwcs.k12.in.us

**Barb Davis**  
Deputy Treasurer  
davisb@wwcs.k12.in.us

## CORRECTIVE ACTION PLAN

### *Finding 2016-001*


Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The School Corporation has implemented proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. The corporation Treasurer will prepare the schedule of awards and submit to the Superintendent for review.

Anticipated Completion Date: Complete

  
Superintendent

4/4/18

**FINDING 2016-002**

Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Program Income:

- The elementary lunch bookkeeper has been trained on procedures for proper fund accounting. (Elementary Lunch Bookkeeper)
- Funds are checks by the Kitchen Manager. (Kitchen Manager)
- Report is reviewed and recorded by Central Office. (Administrative Assistant)
- Income is receipted by Central Office Treasurer. (Central Office Treasurer)

Reporting:

- Annual Report is reported by Central Office. (Administrative Assistant)
- Annual Report is reviewed and signed by Central Office Treasurer. (Treasurer)
- Annual Report is reviewed and signed by Central Office Treasurer. (Superintendent)


Segregation of Duties for Verification of Free and Reduced Lunch will include:

- Collection of Free and Reduced Lunch Forms at building level. (Building Level Administrator)
- Free and Reduced Lunch Forms recorded by the Kitchen Manager. (Kitchen Manager)
- Free and Reduced Lunch Forms recorded by the ECA Treasurer. (ECA Treasurer)
- Free and Reduced Lunch Forms verifications completed and filed by Central Office. (Superintendent/Administrative Assistant)

Anticipated Completion Date: Immediately at the conclusion of audit.

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

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

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

**FINDING 2016-003**

Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

- The school corporation will not exceed the maximum annual increase allowable by the federal lunch program.
- Administrative Assistant will be responsible for retaining the information from IDOE for Paid Lunch Equity and verify that we comply with the allowable increase.

Anticipated Completion Date: Complete



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

Superintendent

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

4/4/18

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

**FINDING 2016-004**

Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

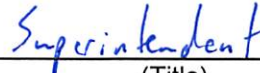
Description of Corrective Action Plan:


The corporation implemented a plan at the conclusion of the previous audit for years July 1, 2012 – June 30, 2014. This plan was not reflective in this audit for years July 1, 2014 – June 30, 2016, thus a repeat finding.

- Reports are prepared by the Corporation Treasurer and reviewed/signed by Superintendent prior to submission.

Anticipated Completion Date: Complete

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

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

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

**FINDING 2016-005**

Contact Person Responsible for Corrective Action: Tom Rosenbaum  
Contact Phone Number: 812-755-4934

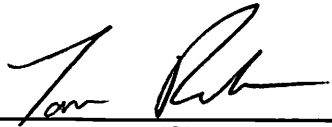
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

All students in grades K-2 were given a Dibels test and students in grades 3-6 were given Acuity. Scores were then used to determine a student's participation in the Title I program. When West Washington Elementary adopted I-Ready Math series, they began to use the diagnostic test that came with the program. With ESSA, schoolwide programs no longer have to test students since the entire school is Title I, but classroom teachers continue to use the I-Ready Language Arts diagnostic test and their recommendations to determine which students participate in any pull out intervention.

Test results will be reviewed by Elementary Principal and Title I Coordinator and will be used to evaluate the program the following year.

Anticipated Completion Date: Acuity and Dibels, effective 2014. I-Ready diagnostic tests utilized August 2016.

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

*Elem Principal*  
\_\_\_\_\_  
(Title)

4-4-18  
\_\_\_\_\_  
(Date)

**FINDING 2016-006**

Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

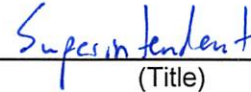
Cash Management and Reporting-

- Reports will be generated by the South Central Area Special Education Cooperative and signed by the Board President and verified by the WWCS Superintendent.

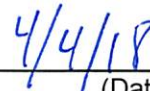
Anticipated Completion Date: Immediately following completion of audit.



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



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



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

**FINDING 2016-007**

Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

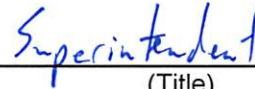
Description of Corrective Action Plan:

Starting 2017, WWSC will maintain records of activity for School Corporation employees that were paid solely from Special Education funds by completing Semi-Annual Certifications.

Anticipated Completion Date: Immediately following completion of audit



(Signature)



(Title)



(Date)

**FINDING 2016-008**

Contact Person Responsible for Corrective Action: Keith Nance  
Contact Phone Number: 812-755-4872

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

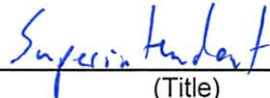
Suspension and Disbarment-

- Contracts and Subcontracts will be presented by the South Central Area Special Education Cooperative to the SCASEC Board of Directors. (Superintendents).
- Contracts and Subcontracts will be reviewed by Superintendent before approval. (WWSC Superintendent)

Anticipated Completion Date: Immediately following completion of audit.



(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/>.