

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CLAY COMMUNITY SCHOOLS
CLAY COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
05/23/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Business Affairs	Mark Shayotovich	07-01-14 to 06-30-18
Superintendent of Schools	Kimberly Tucker Jeffery Fritz	07-01-12 to 06-30-15 07-01-15 to 06-30-18
President of the School Board	Rob Miller Ronald Scherb Kevin Kumpf	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CLAY COMMUNITY SCHOOLS, CLAY COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 19, 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 19, 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 CLAY COMMUNITY SCHOOLS, CLAY 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 Clay Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated April 19, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002 to be material weaknesses.

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 of 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 2016-002.

Clay Community Schools' Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

April 19, 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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CLAY COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-14	Receipts	Disbursements		06-30-15	Receipts	Disbursements		
General	\$ 6,684,995	\$ 27,445,628	\$ 27,021,756	\$ 312	\$ 7,109,179	\$ 28,108,849	\$ 27,444,163	\$ -	\$ 7,773,865
Debt Service	2,552,826	3,754,005	3,634,701	-	2,672,130	3,720,024	3,683,872	-	2,708,282
Retirement/Severance Bond Debt Service	212,346	351,946	348,055	-	216,237	346,857	346,719	-	216,375
Capital Projects	3,631,642	3,574,626	3,199,891	-	4,006,377	3,279,413	3,207,840	-	4,077,950
School Transportation	1,883,808	2,659,739	2,177,889	-	2,365,658	2,623,053	2,116,572	-	2,872,139
School Bus Replacement	247,540	439,340	462,617	-	224,263	347,763	-	-	572,026
Rainy Day	3,174,763	-	62,153	-	3,112,610	80,904	670,027	-	2,523,487
Retirement/Severance Bond	819,500	961	332,766	-	487,695	915	96,169	-	392,441
Construction	2,395,051	-	2,284,154	-	110,897	-	110,897	-	-
School Lunch	802,499	2,185,251	2,196,223	-	791,527	2,197,194	2,172,945	-	815,776
Textbook Rental	334,937	349,096	621,404	-	62,629	414,305	414,137	-	62,797
Levy Excess	294,434	156	-	-	294,590	-	-	-	294,590
Educational License Plates	24,504	356	-	-	24,860	356	-	-	25,216
Alternative Education	14,046	19,886	16,214	-	17,718	16,658	16,911	-	17,465
Instructional Support	5,247	-	-	-	5,247	25,000	3,183	-	27,064
Transitional Work Program Donation Fund	2,459	4,049	3,714	-	2,794	2,871	2,849	-	2,816
Community Foundation Awards and Other Donations	24,984	673	2,185	-	23,472	1,181	4,840	-	19,813
Extra-Curricular Activities	-	-	-	-	-	1,600	1,668	-	(68)
CCHS Fitness Program	4,694	5,000	4,677	-	5,017	5,000	5,073	-	4,944
Scholarships and Awards	6,535	-	-	-	6,535	-	-	-	6,535
Miscellaneous Programs	59	1,050	1,109	-	-	6,000	771	-	5,229
Lilly-Earnings from Investments	41,597	-	4,254	-	37,343	-	24,485	-	12,858
Monsanto AGR1 Science Grant	2,487	-	-	-	2,487	-	-	-	2,487
Instruction Support	-	-	-	-	-	44,720	44,720	-	-
Gifted Education 2013-2014	8,560	-	8,560	-	-	46,366	36,242	-	10,124
Gifted Education 2014-2015	-	46,274	31,357	-	14,917	-	14,916	-	1
Adult and Continuing Education	294	-	-	-	294	-	-	-	294
Extra-Curricular Activities	1,487	-	29	-	1,458	-	-	-	1,458
School Technology	255,281	82,299	133,568	-	204,012	145,915	261,702	-	88,225
Miscellaneous Programs	3,103	-	-	-	3,103	-	-	-	3,103
Title I 2013-2014 & 2014-2015	(84,042)	325,482	241,437	-	3	384,867	778,514	-	(393,644)
Title I 2014-2015 & 2015-2016	-	488,501	589,953	-	(101,452)	299,715	198,267	-	(4)
IDEA	(110,575)	1,342,698	1,393,767	-	(161,644)	1,027,364	1,047,416	-	(181,696)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(3,439)	62,049	67,406	-	(8,796)	43,967	42,885	-	(7,714)
Adult Basic Education	(8,331)	21,354	13,023	-	-	10,447	14,685	-	(4,238)
Carl Perkins 2013-2014 & 2014-2015	(7,097)	24,941	17,843	-	1	33,132	34,433	-	(1,300)
Carl Perkins 2014-2015 & 2015-2016	-	13,244	27,378	-	(14,134)	14,034	(100)	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	(8,052)	158,297	160,953	-	(10,708)	126,693	148,627	-	(32,642)
Payroll Clearing	-	7,949,759	7,949,759	-	-	7,893,628	7,893,628	-	-
Totals	\$ 23,208,142	\$ 51,306,660	\$ 53,008,795	\$ 312	\$ 21,506,319	\$ 51,248,791	\$ 50,839,056	\$ -	\$ 21,916,054

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

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CLAY COMMUNITY SCHOOLS
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.

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Disbursement

The financial statement contains a \$100 disbursement in the Carl Perkins 2014-2015 & 2015-2016 fund which appears as a negative entry. This is a result of an over expenditure which was discovered and adjusted to the General fund.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of these funds being set up as reimbursable grants. The cash deficits reflects disbursements up to the date of this report, June 30, 2016. Reimbursement requests were subsequently made and collected upon in the following fiscal years.

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Holding Corporation

The School Corporation has entered into a capital lease with Clay Community School Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2015 and 2016 totaled \$3,338,000 and \$3,405,000, respectively.

Note 10. Subsequent Event

On November 30, 2016, and January 3, 2017, the Clay Community School Multi School Building Corporation closed on First Mortgage Bond sales of \$24,995,000 and \$6,800,000, respectively. The proceeds from these sales are being used for additions and renovations to Clay City Junior/Senior High School, Northview High School, and North Clay Middle School. Construction began in November 2016 and is scheduled to continue through February 2019. Consequently, the School Corporation entered into a lease agreement with the Clay Community School Multi School Building Corporation. The School Corporation began making interest related lease payments in June 2017 and will begin making principal and interest related lease payments in June 2019. Those payments will continue through December 2031. Payments will be made from the Debt Service fund.

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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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	School Lunch
Cash and investments - beginning	\$ 6,684,995	\$ 2,552,826	\$ 212,346	\$ 3,631,642	\$ 1,883,808	\$ 247,540	\$ 3,174,763	\$ 819,500	\$ 2,395,051	\$ 802,499
Receipts:										
Local sources	167,419	3,754,005	351,946	3,318,754	2,659,457	439,340	-	961	-	766,972
Intermediate sources	109	-	-	-	-	-	-	-	-	-
State sources	27,278,007	-	-	-	-	-	-	-	-	16,577
Federal sources	-	-	-	8,766	-	-	-	-	-	1,401,702
Other receipts	93	-	-	247,106	282	-	-	-	-	-
Total receipts	27,445,628	3,754,005	351,946	3,574,626	2,659,739	439,340	-	961	-	2,185,251
Disbursements:										
Instruction	18,555,099	-	-	-	-	-	20,554	286,759	-	-
Support services	8,157,465	-	-	2,141,185	2,177,889	462,617	-	46,007	-	-
Noninstructional services	309,192	-	-	-	-	-	-	-	-	2,196,223
Facilities acquisition and construction	-	-	-	1,058,706	-	-	41,599	-	2,284,154	-
Debt service	-	3,634,701	348,055	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,021,756	3,634,701	348,055	3,199,891	2,177,889	462,617	62,153	332,766	2,284,154	2,196,223
Excess (deficiency) of receipts over disbursements	423,872	119,304	3,891	374,735	481,850	(23,277)	(62,153)	(331,805)	(2,284,154)	(10,972)
Other financing sources (uses):										
Sale of capital assets	312	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	312	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	424,184	119,304	3,891	374,735	481,850	(23,277)	(62,153)	(331,805)	(2,284,154)	(10,972)
Cash and investments - ending	\$ 7,109,179	\$ 2,672,130	\$ 216,237	\$ 4,006,377	\$ 2,365,658	\$ 224,263	\$ 3,112,610	\$ 487,695	\$ 110,897	\$ 791,527

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

	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Instructional Support	Transitional Work Program Donation Fund	Community Foundation Awards and Other Donations	Extra- Curricular Activities	CCHS Fitness Program	Scholarships and Awards
Cash and investments - beginning	\$ 334,937	\$ 294,434	\$ 24,504	\$ 14,046	\$ 5,247	\$ 2,459	\$ 24,984	\$ -	\$ 4,694	\$ 6,535
Receipts:										
Local sources	174,347	156	-	-	-	4,049	673	-	5,000	-
Intermediate sources	-	-	356	-	-	-	-	-	-	-
State sources	174,749	-	-	19,886	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	349,096	156	356	19,886	-	4,049	673	-	5,000	-
Disbursements:										
Instruction	-	-	-	16,214	-	3,714	-	-	-	-
Support services	621,404	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	2,185	-	4,677	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	621,404	-	-	16,214	-	3,714	2,185	-	4,677	-
Excess (deficiency) of receipts over disbursements	(272,308)	156	356	3,672	-	335	(1,512)	-	323	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(272,308)	156	356	3,672	-	335	(1,512)	-	323	-
Cash and investments - ending	\$ 62,629	\$ 294,590	\$ 24,860	\$ 17,718	\$ 5,247	\$ 2,794	\$ 23,472	\$ -	\$ 5,017	\$ 6,535

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

	Miscellaneous Programs	Lilly-Earnings from Investments	Monsanto AGRI Science Grant	Instruction Support	Gifted Education 2013-2014	Gifted Education 2014-2015	Adult and Continuing Education	Extra- Curricular Activities	School Technology	Miscellaneous Programs
Cash and investments - beginning	\$ 59	\$ 41,597	\$ 2,487	\$ -	\$ 8,560	\$ -	\$ 294	\$ 1,487	\$ 255,281	\$ 3,103
Receipts:										
Local sources	1,050	-	-	-	-	-	-	-	82,299	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	46,274	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,050	-	-	-	-	46,274	-	-	82,299	-
Disbursements:										
Instruction	-	191	-	-	8,560	31,357	-	-	-	-
Support services	1,109	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	29	-	-
Facilities acquisition and construction	-	4,063	-	-	-	-	-	-	133,568	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,109	4,254	-	-	8,560	31,357	-	29	133,568	-
Excess (deficiency) of receipts over disbursements	(59)	(4,254)	-	-	(8,560)	14,917	-	(29)	(51,269)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(59)	(4,254)	-	-	(8,560)	14,917	-	(29)	(51,269)	-
Cash and investments - ending	\$ -	\$ 37,343	\$ 2,487	\$ -	\$ -	\$ 14,917	\$ 294	\$ 1,458	\$ 204,012	\$ 3,103

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

	Title I 2013-2014 & 2014-2015	Title I 2014-2015 & 2015-2016	IDEA	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Adult Basic Education	Carl Perkins 2013-2014 & 2014-2015	Carl Perkins 2014-2015 & 2015-2016	Improving Teacher Quality, No Child Left, Title II, Part A	Payroll Clearing	Totals
Cash and investments - beginning	\$ (84,042)	\$ -	\$ (110,575)	\$ (3,439)	\$ (8,331)	\$ (7,097)	\$ -	\$ (8,052)	\$ -	\$ 23,208,142
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	11,726,428
Intermediate sources	-	-	-	-	-	-	-	-	-	465
State sources	-	-	-	-	-	-	-	-	-	27,535,493
Federal sources	325,482	488,501	1,342,698	62,049	21,354	24,941	13,244	158,297	-	3,847,034
Other receipts	-	-	-	-	-	-	-	-	7,949,759	8,197,240
Total receipts	325,482	488,501	1,342,698	62,049	21,354	24,941	13,244	158,297	7,949,759	51,306,660
Disbursements:										
Instruction	152,417	402,872	1,136,001	50,162	4,823	698	13,083	4,681	-	20,687,185
Support services	73,784	86,516	219,234	6,124	8,200	17,145	14,295	156,272	-	14,189,246
Noninstructional services	15,236	100,565	38,532	-	-	-	-	-	-	2,666,639
Facilities acquisition and construction	-	-	-	11,120	-	-	-	-	-	3,533,210
Debt service	-	-	-	-	-	-	-	-	-	3,982,756
Nonprogrammed charges	-	-	-	-	-	-	-	-	7,949,759	7,949,759
Total disbursements	241,437	589,953	1,393,767	67,406	13,023	17,843	27,378	160,953	7,949,759	53,008,795
Excess (deficiency) of receipts over disbursements	84,045	(101,452)	(51,069)	(5,357)	8,331	7,098	(14,134)	(2,656)	-	(1,702,135)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	312
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	312
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	84,045	(101,452)	(51,069)	(5,357)	8,331	7,098	(14,134)	(2,656)	-	(1,701,823)
Cash and investments - ending	\$ 3	\$ (101,452)	\$ (161,644)	\$ (8,796)	\$ -	\$ 1	\$ (14,134)	\$ (10,708)	\$ -	\$ 21,506,319

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	School Lunch
Cash and investments - beginning	\$ 7,109,179	\$ 2,672,130	\$ 216,237	\$ 4,006,377	\$ 2,365,658	\$ 224,263	\$ 3,112,610	\$ 487,695	\$ 110,897	\$ 791,527
Receipts:										
Local sources	189,019	3,720,024	346,857	3,278,813	2,622,658	347,763	80,904	915	-	771,488
Intermediate sources	111	-	-	-	-	-	-	-	-	-
State sources	27,776,225	-	-	-	-	-	-	-	-	17,087
Federal sources	64,927	-	-	-	-	-	-	-	-	1,408,619
Other receipts	78,567	-	-	600	395	-	-	-	-	-
Total receipts	28,108,849	3,720,024	346,857	3,279,413	2,623,053	347,763	80,904	915	-	2,197,194
Disbursements:										
Instruction	19,019,387	-	-	-	-	-	3,456	66,736	-	-
Support services	8,149,183	-	-	1,911,685	2,116,572	-	-	29,433	-	-
Noninstructional services	275,593	-	-	-	-	-	-	-	-	2,172,945
Facilities acquisition and construction	-	-	-	1,296,155	-	-	666,571	-	110,897	-
Debt service	-	3,683,872	346,719	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,444,163	3,683,872	346,719	3,207,840	2,116,572	-	670,027	96,169	110,897	2,172,945
Excess (deficiency) of receipts over disbursements	664,686	36,152	138	71,573	506,481	347,763	(589,123)	(95,254)	(110,897)	24,249
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	664,686	36,152	138	71,573	506,481	347,763	(589,123)	(95,254)	(110,897)	24,249
Cash and investments - ending	\$ 7,773,865	\$ 2,708,282	\$ 216,375	\$ 4,077,950	\$ 2,872,139	\$ 572,026	\$ 2,523,487	\$ 392,441	\$ -	\$ 815,776

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

	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Instructional Support	Transitional Work Program Donation Fund	Community Foundation Awards and Other Donations	Extra- Curricular Activities	CCHS Fitness Program	Scholarships and Awards
Cash and investments - beginning	\$ 62,629	\$ 294,590	\$ 24,860	\$ 17,718	\$ 5,247	\$ 2,794	\$ 23,472	\$ -	\$ 5,017	\$ 6,535
Receipts:										
Local sources	235,750	-	-	-	25,000	2,871	1,181	1,600	5,000	-
Intermediate sources	-	-	356	-	-	-	-	-	-	-
State sources	178,555	-	-	16,658	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	414,305	-	356	16,658	25,000	2,871	1,181	1,600	5,000	-
Disbursements:										
Instruction	-	-	-	16,911	3,183	2,849	-	-	-	-
Support services	414,137	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	4,840	1,668	5,073	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	414,137	-	-	16,911	3,183	2,849	4,840	1,668	5,073	-
Excess (deficiency) of receipts over disbursements	168	-	356	(253)	21,817	22	(3,659)	(68)	(73)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	168	-	356	(253)	21,817	22	(3,659)	(68)	(73)	-
Cash and investments - ending	\$ 62,797	\$ 294,590	\$ 25,216	\$ 17,465	\$ 27,064	\$ 2,816	\$ 19,813	\$ (68)	\$ 4,944	\$ 6,535

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

	Miscellaneous Programs	Lilly-Earnings from Investments	Monsanto AGRI Science Grant	Instruction Support	Gifted Education 2013-2014	Gifted Education 2014-2015	Adult and Continuing Education	Extra- Curricular Activities	School Technology	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 37,343	\$ 2,487	\$ -	\$ -	\$ 14,917	\$ 294	\$ 1,458	\$ 204,012	\$ 3,103
Receipts:										
Local sources	6,000	-	-	44,720	-	-	-	-	141,511	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	46,366	-	-	-	4,404	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	6,000	-	-	44,720	46,366	-	-	-	145,915	-
Disbursements:										
Instruction	-	18,322	-	44,720	36,242	14,871	-	-	-	-
Support services	771	-	-	-	-	45	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	6,163	-	-	-	-	-	-	261,702	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	771	24,485	-	44,720	36,242	14,916	-	-	261,702	-
Excess (deficiency) of receipts over disbursements	5,229	(24,485)	-	-	10,124	(14,916)	-	-	(115,787)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,229	(24,485)	-	-	10,124	(14,916)	-	-	(115,787)	-
Cash and investments - ending	\$ 5,229	\$ 12,858	\$ 2,487	\$ -	\$ 10,124	\$ 1	\$ 294	\$ 1,458	\$ 88,225	\$ 3,103

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

	Title I 2013-2014 & 2014-2015	Title I 2014-2015 & 2015-2016	IDEA	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Adult Basic Education	Carl Perkins 2013-2014 & 2014-2015	Carl Perkins 2014-2015 & 2015-2016	Improving Teacher Quality, No Child Left, Title II, Part A	Payroll Clearing	Totals
Cash and investments - beginning	\$ 3	\$ (101,452)	\$ (161,644)	\$ (8,796)	\$ -	\$ 1	\$ (14,134)	\$ (10,708)	\$ -	\$ 21,506,319
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	11,822,074
Intermediate sources	-	-	-	-	-	-	-	-	-	467
State sources	-	-	-	-	-	-	-	-	-	28,039,295
Federal sources	384,867	299,715	1,027,364	43,967	10,447	33,132	14,034	126,693	-	3,413,765
Other receipts	-	-	-	-	-	-	-	-	7,893,628	7,973,190
Total receipts	384,867	299,715	1,027,364	43,967	10,447	33,132	14,034	126,693	7,893,628	51,248,791
Disbursements:										
Instruction	580,361	163,875	827,378	42,460	12,761	17,768	-	-	-	20,871,280
Support services	121,149	28,955	163,791	425	1,924	16,665	(100)	148,627	-	13,103,262
Noninstructional services	77,004	5,437	56,247	-	-	-	-	-	-	2,598,807
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	2,341,488
Debt service	-	-	-	-	-	-	-	-	-	4,030,591
Nonprogrammed charges	-	-	-	-	-	-	-	-	7,893,628	7,893,628
Total disbursements	778,514	198,267	1,047,416	42,885	14,685	34,433	(100)	148,627	7,893,628	50,839,056
Excess (deficiency) of receipts over disbursements	(393,647)	101,448	(20,052)	1,082	(4,238)	(1,301)	14,134	(21,934)	-	409,735
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(393,647)	101,448	(20,052)	1,082	(4,238)	(1,301)	14,134	(21,934)	-	409,735
Cash and investments - ending	\$ (393,644)	\$ (4)	\$ (181,696)	\$ (7,714)	\$ (4,238)	\$ (1,300)	\$ -	\$ (32,642)	\$ -	\$ 21,916,054

CLAY COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Clay Community School Multi School Building Corporation	Elementary School Renovations	\$ 3,515,000	12/09/09	07/15/18
Dell Financial Services	1:1 Computing Initiative (Grades 6-12)	<u>278,414</u>	07/01/14	06/30/18
Total governmental activities		<u>3,793,414</u>		
Total of annual lease payments		<u>\$ 3,793,414</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Northview Energy Savings - Air Handler	\$ 1,975,000	\$ 19,750
General obligation bonds	Northview Mechanical Replacement	1,000,000	15,000
General obligation bonds	Severance Bonds	335,000	344,095
Notes and loans payable	Jackson Township Remodel	103,333	105,400
Notes and loans payable	State Technology Loan	<u>22,537</u>	<u>22,819</u>
Total governmental activities		<u>3,435,870</u>	<u>507,064</u>
Totals		<u>\$ 3,435,870</u>	<u>\$ 507,064</u>

CLAY COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 4,000
Buildings	82,394,654
Improvements other than buildings	3,379,845
Machinery, equipment, and vehicles	<u>11,053,654</u>
Total governmental activities	<u>96,832,153</u>
Total capital assets	<u><u>\$ 96,832,153</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CLAY COMMUNITY SCHOOLS, CLAY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2016-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Program Income. Consequently, we are unable to determine whether the School Corporation complied with those requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

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

Unmodified Opinion on Special Education Cluster (IDEA)

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Special Education Cluster (IDEA) for the period of July 1, 2014 to June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-005, 2016-006, and 2016-007. 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 the OMB Circular A133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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


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

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

deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007 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 19, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CLAY COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY15 and FY16	\$ -	\$ 344,603	\$ -	\$ 345,251
School Breakfast Program							
National School Lunch Program	Indiana Department of Education	10.555	FY15 and FY16	-	1,056,357	-	1,058,094
National School Lunch Program				-	137,405	-	145,194
Commodities				-	742	-	135
After School Supplement Program							
Total - National School Lunch Program				-	1,194,504	-	1,203,423
Total - Child Nutrition Cluster				-	1,539,107	-	1,548,674
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	FY15/16	-	-	-	5,139
Equipment Purchases							
Total - Department of Agriculture				-	1,539,107	-	1,553,813
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14213-007-PN01	-	82,283	-	-
Special Education Part B-611			14214-007-PN01	-	229,627	-	-
Special Education Part B-611			14215-007-PN01	-	1,030,787	-	17,406
Special Education Part B-611			14216-007-PN01	-	-	-	1,009,957
Special Education Federal Technical Assistance Grant			99914-007-PN01	-	14,252	-	3,418
Total - Special Education_Grants to States				-	1,356,949	-	1,030,781
Special Education_Preschool Grants	Indiana Department of Education	84.173	45713-007-PN01	-	11,570	-	-
Special Education - Pre School 619			45714-007-PN01	-	36,227	-	2,126
Special Education - Pre School 619			45715-007-PN01	-	-	-	38,423
Total - Special Education_Preschool Grants				-	47,797	-	40,549
Total - Special Education Cluster (IDEA)				-	1,404,746	-	1,071,330
Adult Education - Basic Grants to States	Indiana Department of Workforce Development	84.002	FY13	-	18,778	-	-
Adult Education			FY14	-	3,900	-	11,931
Total - Adult Education - Basic Grants to States				-	22,678	-	11,931

CLAY COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education						
ESEA Title I 2013-2014		84.010	13-1125	-	325,482	-	-
ESEA Title I 2014-2015			14-1125	-	488,501	-	299,715
ESEA Title I 2015-2016			15-1125	-	-	-	384,867
Total - Title I Grants to Local Educational Agencies				-	813,983	-	684,582
Career and Technical Education -- Basic Grants to States	Vigo County School Corporation						
Perkins Act 2013-2014		84.048	FY14	-	13,244	-	-
Perkins Act 2014-2015			FY15	-	24,841	-	14,034
Perkins Act 2015-2016			FY16	-	-	-	33,132
Total - Career and Technical Education -- Basic Grants to States				-	38,085	-	47,166
Improving Teacher Quality State Grants	Indiana Department of Education						
		84.367	FY12	-	73,664	-	-
			FY13	-	84,633	-	62,175
			FY14	-	-	-	64,518
Total - Improving Teacher Quality State Grants				-	158,297	-	126,693
College Access Challenge Grant Program College Success Coalition	Indiana Commission for Higher Education						
		84.378	719P378A1400120	-	-	-	6,000
Total - Department of Education				-	2,437,789	-	1,947,702
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security						
		97.036	385PA4173000000	-	8,766	-	-
Total - Department of Homeland Security				-	8,766	-	-
Total federal awards expended				\$ -	\$ 3,985,662	\$ -	\$ 3,501,515

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

CLAY COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. Summary of Significant Accounting Policies

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

CLAY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

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

FINDING 2016-001

Subject: Financial Transactions
Audit Finding: Material Weakness

Condition

The School Corporation had not separated incompatible activities related to receipts. There were no controls designed and implemented by the School Corporation for processing, recording, and reporting receipts. The School Corporation did not provide evidence of a review or approval process to ensure that material misstatements would have been prevented, or detected and corrected, in a timely manner.

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

Context

This was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

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

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

Cause

Management of the School Corporation had not established a proper system of internal control, including segregation of duties, over receipts.

Effect

The failure to establish controls could have enabled misstatements or irregularities with receipts to remain undetected.

Views of Responsible Officials

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

FINDING 2016-002

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

Repeat Finding

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

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

Condition

There were several deficiencies in the internal control system of the School Corporation as noted below.

1. **Monitoring of Controls:** The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over Financial Reporting required the School Corporation to monitor and assess the quality of the system of internal control.
2. 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).

The School Corporation did not properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source for the SEFA. One employee prepared and submitted the grant information without an oversight or review process to detect and correct errors before submission.

Context

The following errors were noted on the SEFA for fiscal year 2015:

Child Nutrition Cluster Commodities - Omitted	\$ 137,405
Adult Education - Basic Grants to States - Omitted	22,678
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Omitted	8,766
ESEA Title I 2014-2015 - Overstated	101,450
 Fiscal Year 2015 Total	 \$ 270,299

The following errors were noted on the SEFA for fiscal year 2016:

Child Nutrition Cluster Commodities - Omitted	\$ 145,194
Child Nutrition Discretionary Grants Limited Availability - Omitted	5,139
Adult Education - Basic Grants to States - Omitted	11,931
College Access Challenge Grant Program - Omitted	6,000
 Fiscal Year 2016 Total	 \$ 168,264

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:

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

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

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

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

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

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.

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

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

Effect

The failure to establish and monitor controls enabled material misstatements of the SEFA to remain undetected. The SEFA contained the errors identified in the *Context*.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-003

Subject: Child Nutrition Cluster - Internal Controls
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): FY15 and FY16
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable
Costs/Cost Principles, Eligibility
Audit Finding: Material Weakness

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: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility.

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

The School Corporation had established a control that included dual approval of all food service purchases by the Treasurer and Food Service Director. However, 15 percent of the Accounts Payable Vouchers (claims) tested for control effectiveness, were signed by only the Treasurer indicating approval, the signature of the Food Service Director indicating approval was not present on these claims.

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

Eligibility

The School Corporation had not established an effective control to ensure that the eligibility determinations for free and reduced price meals were accurate. No secondary review of eligibility determinations for paper or online applications for free and reduced price meals was completed at the School Corporation. One employee processed the applications for free and reduced price meals, which included determining eligibility, without oversight or review.

Context

This was a systemic problem with the Child Nutrition Cluster. Controls did not exist over the compliance requirements listed above during the audit period.

Criteria

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

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

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 compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls 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 2016-004

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY15 and FY16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

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 Program Income compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded. An oversight, review, or approval process had not been established.

All monthly receipts from food sales, as well as prepayments for meals, were recorded directly in the School Lunch fund; prepayments were not recorded in a Prepaid Food fund. Due to the method of recordkeeping, Program Income could not be audited for either school year.

Context

This was a systemic issue. The School Corporation's procedures for recording revenues in the School Lunch fund prevented the ability to determine whether the School Corporation was in compliance with the Program Income compliance requirement 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. . . ."

CLAY COMMUNITY 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). . . ."

7 CFR 210.14(c) states:

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

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

2 CFR 200.302(b)(3) states:

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were segregated and available for audit.

Effect

The failure to establish effective internal controls that would have ensured that prepaid receipts and program income receipts were segregated and available for audit prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Program Income compliance requirement.

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

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: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY15 and FY16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
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 Cash Management compliance requirement. Procedures established to ensure that the School Corporation's School Lunch fund balance was within the accepted amount were not effective.

The School Corporation did not monitor the net cash resources of the School Lunch fund and failed to ensure that the amount did not exceed the three months average expenditures. The School Corporation also failed to develop and submit a plan as required by the Indiana Department of Education to ensure that the grant fund's net cash resources would not exceed the three months average expenditures in the future.

Context

The lack of internal controls and existence of noncompliance were systemic problems. The net cash resources in the School Lunch fund exceeded the three months average expenditures for 22 of the 24 months within the audit period. The average excess balances were \$53,009 and \$80,997 for fiscal year 2015 and fiscal year 2016, respectively.

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. . . ."

CLAY COMMUNITY 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). . . ."

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

7 CFR 220.7(e) states in part:

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

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

Cause

The School Corporation had not designed or implemented a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management compliance requirement.

Views of Responsible Officials

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

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

FINDING 2016-006

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY15 and FY16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
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 Procurement and Suspension and Debarment compliance requirement. Procedures were not established to ensure that the School Corporation followed procurement guidelines or verified whether vendors were suspended or debarred.

The School Corporation did not have a procurement policy in place, nor did they verify that vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to accepting bids. An oversight, review, or approval process had not been established.

Context

The ineffectiveness of controls over and noncompliance with the Procurement and Suspension and Debarment compliance requirement applied to both years of 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). . . ."

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

2 CFR 180.300 states:

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

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

2 CFR 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

Cause

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

Effect

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

FINDING 2016-007

Subject: Special Education Cluster (IDEA) - 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): 14215-007-PN01, 45715-007-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

CLAY COMMUNITY 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 agreements and the Reporting compliance requirement.

The School Corporation did not design or implement adequate policies and procedures to ensure that all Reporting requirements were followed. Two of the four Final Expenditure Reports were not properly filed.

Context

The lack of controls and noncompliance were an isolated issue as the issue was just for the fiscal year 2015.

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 80.41 states in part:

"(a) *General.*

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

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

34 CFR 80.20(b) states in part:

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

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

- (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."

Cause

The School Corporation's management had not designed or implemented internal control procedures to ensure compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreements and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreements and comply with the Reporting compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
Mr. Ernie Simpson, Director of Human Resources

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001 INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Fiscal year in which the finding initially occurred: **2014**

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

Contact Person Responsible for Corrective Action: **Mark Shayotovich**

Contact Phone Number: **812-442-0610**

Status of Audit Finding:

In July, 2015 the Director of Business Affairs began the practice of compiling a list of federal awards through review of financial records and correspondence with Assistant Superintendent, Director of Special Services, Curriculum and Grants Coordinator and Director of Human Resources. The Director of Business Affairs prepares and inputs the appropriate data into Indiana Gateway.



(Signature)

Director of Business Affairs
April 3, 2018

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002 ALLOWABLE COSTS

Fiscal year in which the finding initially occurred: **2014**

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

Contact Person Responsible for Corrective Action: **Mark Shayotovich**

Contact Phone Number: **812-442-0610**

Status of Audit Finding:

Semi- Annual Certifications – The Director of Special Services' Secretary will create semi-annual certification documents for applicable employees. Director of Special Services collects signed certifications from employees and administrators and cross references to payroll records and the grant application to ensure all applicable employees are included. Signed semi-annual certifications are kept in the office of Special Services.

Time And Effort Reporting - The Director of Special Services secretary will send out an email at the end of each month to each appropriate staff member to remind them that their time and effort logs are due. The completed time and effort logs will be received monthly and reviewed by the special services secretary and the Director of Special Services. Monthly submissions will be cross referenced to the applicable grant application to ensure completeness and will be maintained in the office of Special Services. Employees not submitting in a timely manner will be notified by email by the Director of Special Services.



(Signature)

Director of Business Affairs
April 3, 2018

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
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CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610

Description of Corrective Action Plan

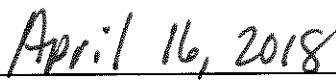
Beginning in May 2018, we will add two additional internal control measures to our receipts function:

1. All mail coming in, or patrons who come in to pay in person, will be handled by front office personnel. Front office personnel will take payment and write receipts. Front office Personnel will record payments on book rental or laptop damages into PowerSchool and turn over cash and checks to the deputy treasurer for deposit in the bank and receipt into Komputrol.
2. After receipting payments into Komputrol and prior to depositing monies into the bank, the deputy treasurer will allow the insurance clerk to review the Receipt Posing Journal from Komputrol with bank deposit documentation. The insurance clerk will sign off if the reports are in agreement.

Anticipated Completion Date: May, 2018



Mark Shayotovich, Director of Business Affairs



Date

Dr. Kimberly Tucker, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mrs. Carolyn Kumpf, Director of Personnel, Data, & Food Services
Mr. Mark Shayotovich, Director of Business Affairs

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CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610

Description of Corrective Action Plan


Each year, a list of all federal awards will be compiled with the assistance of the Deputy Treasurer, Assistant Superintendent, Director of Special Services, Curriculum and Grants Coordinator, Director of Food Services, Director of Extended Services, and Director of Human Resources. In addition to ongoing conversations to best identify federal grants, the deputy treasurer will perform an annual review of all notifications of deposit. A list will be prepared of all deposits that have a corresponding CFDA #. The Director of Business Affairs will review the list in addition to the notifications of deposit to ensure the list's completeness.

The director of Business Affairs will prepare the Schedule of Expenditures of Federal Awards as required at the end of each fiscal year. The Deputy Treasurer will be provided with the finalized list of all federal awards for the fiscal year (referenced in the above paragraph) and cross reference it with the SEFA to ensure its completeness. Once considered complete by both the Deputy Treasurer and the Director of Business Affairs, the SEFA will be submitted by the Director of Business Affairs as part of the Annual Financial Report through Gateway.

Anticipated Completion Date: July/August, 2018



Mark Shayotovich, Director of Business Affairs



Date

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
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CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610

Description of Corrective Action Plan


Beginning in May, 2018 the Treasurer will not sign off on any claims from Fund 800 that have not been authorized by the Director of Food Services. Currently, all material food and equipment claims are authorized by the Director of Food Services, but some miscellaneous and otherwise immaterial claims are authorized solely by the treasurer.

Beginning in July, 2018, the Director Business Affairs will review the sampling method and sample selection for Free and Reduced Eligibility verification. The Director of Business Affairs will review and sign off verification documents received and eligibility results drawn.

Anticipated Completion Date: May, 2018
July, 2018



Mark Shayotovich, Director of Business Affairs



Date

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
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CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610


Description of Corrective Action Plan

Beginning in January, 2018 Clay Community Schools implemented the use of Fund 8400 to account for prepaid food service. This occurred concurrently with our district beginning to accept online credit card payments through the use of a third party. Appropriate receipt accounts have been set up and are being utilized. At the end of each semester, the Director Business Affairs and the Deputy Treasurer will perform appropriate reconciliations and consequent revenue recognition in Fund 800 for food service dollars earned in the period.

Anticipated Completion Date: January, 2018



Mark Shayotovich, Director of Business Affairs



Date

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
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CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610

Description of Corrective Action Plan

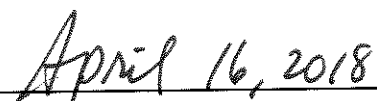
Beginning in May 2018, we will add two additional internal control measures to the School Lunch Fund Cash Management Function.

1. The Director of Food Services will begin preparing the Monthly Food Services Report. In addition to other functional data, the report will include a calculation of three month average expenditures and a related comparison to the month ending cash balance in the school lunch fund.
2. The Monthly Food Services Report will be reviewed by the Director of Human Resources. The Director of Human Resources will sign off on the report and pass it along to the Director of Business Affairs who will review the calculation and comparison, and determine if action needs to be taken.

Anticipated Completion Date: May, 2018



Mark Shayotovich, Director of Business Affairs



Date

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
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CORRECTIVE ACTION PLAN

FINDING 2016-006

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610

Description of Corrective Action Plan


Beginning in FY 2018, we will added two additional internal control measures to our School Lunch Fund Procurement Procedures.

1. On August 7, 2017 we implemented a new Child Nutrition Procurement Plan. This plan expanded upon our general corporation procurement procedures by adding additional Child Nutrition Program related procedures. The plan was put into practice, but not taken to the board as official policy.
2. In March 2018, The Food Services Director began using SAM to review vendors for potential debarment or suspension. This will become an annual procedure to take place in August prior to the start of school, and will be written into the Child Nutrition Procurement Plan referenced above. This will take place in May 2018. The policy will then be taken to the board with the expectation it will become board policy in August 2018.

Anticipated Completion Date: May - August, 2018



Mark Shayotovich, Director of Business Affairs



Date

Mr. Jeffery Fritz, Superintendent
Dr. Timothy Rayle, Assistant Superintendent for Curriculum & Instruction
Mr. Michael Howard II, Director of Extended Services
Mrs. Kathy Knust, Curriculum and Grants Coordinator
Mr. Mark Shayotovich, Director of Business Affairs
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CORRECTIVE ACTION PLAN

FINDING 2016-007

Contact Person Responsible for Corrective Action: Mark Shayotovich, Director of Business Affairs

Contact Phone Number: 812-442-0610

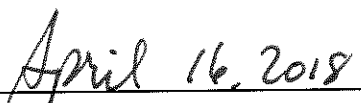
Description of Corrective Action Plan

Beginning in FY 2018, the Director of Business Affairs will conduct a Grant Closing Conference. A checklist will be created to ensure all requirements for grant close out are completed. The checklist will be created by the Director of Business Affairs and the Director of Special Services. The checklist, which will include an action step for submitting a final report, will be completed by the Director of Special Services and reviewed at the grant closing conference. The Director of Business Affairs will review and sign off on the checklist and submit the final report.

Anticipated Completion Date: September 30, 2018



Mark Shayotovich, Director of Business Affairs



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/>.