

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
PERRY COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
05/30/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra A. Elder	07-01-15 to 06-30-18
Superintendent of Schools	John A. Scioldo	07-01-15 to 06-30-18
President of the School Board	Larry K. Kleeman Rick M. May Sherri K. Flynn	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TELL CITY-TROY TOWNSHIP  
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Tell City-Troy Township School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

***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, 2015 to June 30, 2017, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 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 30, 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 TELL CITY-TROY TOWNSHIP  
SCHOOL CORPORATION, PERRY 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 Tell City-Troy Township School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated April 30, 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.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 30, 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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 1,249,880	\$ 9,809,984	\$ 9,734,181	\$ -	\$ 1,325,683	\$ 10,223,080	\$ 9,625,889	\$ 42,766	\$ 1,965,640
Debt Service	667,780	3,197,561	2,694,561	(453,899)	716,881	3,079,936	2,532,715	(411,231)	852,871
Retirement/Severance Bond Debt Service	(9,727)	364,476	110,752	(49,691)	194,306	418,138	414,167	(52,534)	145,743
Capital Projects	1,107,861	658,307	859,755	338,038	1,244,451	700,709	725,093	278,643	1,498,710
School Transportation	265,303	351,838	370,058	153,559	400,642	341,597	359,187	134,523	517,575
School Bus Replacement	126,515	48,287	-	19,168	193,970	30,622	-	7,833	232,425
Rainy Day	450,000	-	-	-	450,000	-	-	-	450,000
School Lunch	95,187	821,898	834,598	-	82,487	810,418	841,734	-	51,171
Textbook Rental	167,174	294,693	149,897	-	311,970	136,809	196,784	-	251,995
Repair and Replacement	10,018	1,472	1,472	-	10,018	1,094	1,094	-	10,018
Self-Insurance	345,022	2,647,338	2,351,145	-	641,215	2,616,167	2,363,008	-	894,374
Educational License Plates	56	150	34	-	172	131	211	-	92
Lilly Counseling Initiative	-	-	-	-	-	30,000	20,530	-	9,470
Techpoint Foundation for Youth	-	-	-	-	-	500	449	-	51
PCCF - WTE Tell-E-Vision Grant	782	-	782	-	-	-	-	-	-
Project Great Income	1,000	1,000	-	-	2,000	-	-	-	2,000
Perry Co. Community Foundation (PCCF) - Computer Science	-	2,091	2,091	-	-	-	-	-	-
PCCF Grant - JH Digital Yearbook	-	817	817	-	-	-	-	-	-
PCCF Grant - Empty Bowls Project	-	3,753	2,297	-	1,456	3,213	1,614	-	3,055
PCCF Grant - Community Film	-	2,115	2,115	-	-	-	-	-	-
Educational License Plates	390	-	185	-	205	-	205	-	-
SIREC Community Trust Grant	-	1,250	-	-	1,250	-	-	-	1,250
Boerste Sensory Needs Grant	-	10,000	7,685	-	2,315	-	2,315	-	-
PCCF - WTE Tell-E-Vision #2	-	-	-	-	-	3,000	3,000	-	-
Welborn Grant 2013-2014	669	26	695	-	-	-	-	-	-
Welborn Baptist Mini Grant 2013	407	-	407	-	-	-	-	-	-
Welborn 2014-2015 Heroes	6,112	-	1,455	-	4,657	-	4,008	-	649
Welborn Mini Grant 2014 - WTE	412	-	412	-	-	-	-	-	-
Welborn Yr 4 & More - 2015-16	-	2,000	2,000	-	-	-	-	-	-
Welborn Yr 4 & More - 2016-17	-	-	-	-	-	800	-	-	800
Stuff the Bus Campaign	53	-	-	-	53	-	27	-	26
Gerald Thomas Fund for Youth	23	453	170	-	306	463	458	-	311
Jams At-Risk Program	1,071	-	552	-	519	-	500	-	19
Perry Co S.A. - Life Strategies	13	-	13	-	-	-	-	-	-
Donna Fenn LIT Fund 2014-2015	1,266	-	-	-	1,266	-	-	-	1,266
WTE Lego League	606	300	27	-	879	-	79	-	800
United Way - Family Outreach	3,817	-	2,521	-	1,296	-	1,296	-	-
Nextech Computer Science	-	3,220	3,220	-	-	-	-	-	-
Donna Fenn Literacy 2015/16	-	2,660	-	-	2,660	-	-	-	2,660
United Way Family Outreach '16	-	5,000	-	-	5,000	-	5,000	-	-
IN Retired Teachers Fdtn. Grant	-	509	503	-	6	-	-	-	6

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH  
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For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Nextech ECS Workshop Grant '16	-	-	-	-	-	3,395	3,395	-	-
Donna Fenn Literacy 2016/17	-	-	-	-	-	594	-	-	594
Quick Click Challenge Program	-	-	-	-	-	5,100	-	-	5,100
Perry Co Substance Abuse - Drug Test	-	-	-	-	-	856	-	-	856
Band Program - McCart Gift	-	-	-	-	-	500	500	-	-
United Way Fam Outreach '16/17	-	-	-	-	-	5,000	-	-	5,000
WTE STEM City Lab	-	-	-	-	-	3,650	1,356	-	2,294
On Target 2012-2013	2,528	-	1,965	-	563	-	-	-	563
On Target 2013-2014	19,256	5	-	-	19,261	480	-	-	19,741
Bullying Prevention Program	4,167	1,000	1,779	-	3,388	-	688	-	2,700
High Ability 2014-2015	7,763	-	7,763	-	-	-	-	-	-
High Ability 2015/2016	-	31,585	20,723	-	10,862	-	10,862	-	-
Formative Assessment	-	-	-	-	-	19,605	19,605	-	-
Instructional Support	-	-	-	-	-	31,223	23,418	-	7,805
Secured Schools Safety Grant	1	24,146	24,147	-	-	20,408	20,002	-	406
State Connectivity Grant	1,233	6,564	6,093	-	1,704	8,468	6,564	-	3,608
Career and Technical Performance Grant	-	-	-	-	-	8,845	1,620	-	7,225
21st Century Scholars	-	-	-	-	-	350	-	-	350
Title I 2014-2015	(23,083)	68,561	45,478	-	-	-	-	-	-
Title I 2015-2016	-	195,977	221,122	-	(25,145)	55,292	29,812	-	335
Title I 2016-2017	-	-	-	-	-	180,713	217,427	-	(36,714)
Perkins Grant 2014-2015	(1,088)	7,760	6,672	-	-	-	-	-	-
Perkins Grant - 2015/2016	-	20,757	30,614	-	(9,857)	11,324	1,467	-	-
Medicaid Reimbursement - Federal	47,493	19,343	-	-	66,836	21,607	2,006	-	86,437
21st Century Learning Center	(82,596)	88,854	6,258	-	-	-	-	-	-
21st Century Learning CC 2015-2016	(2,730)	172,869	190,488	-	(20,349)	40,088	19,739	-	-
21st CCLC Grant Yr #3 2016/17	-	-	-	-	-	164,865	195,501	-	(30,636)
McKinney-Vento 2015-2016	-	10,000	10,000	-	-	-	-	-	-
McKinney-Vento 2016-2017	-	-	-	-	-	12,000	12,000	-	-
Title II Part A 2013-2015	(3,961)	10,995	7,034	-	-	-	-	-	-
Title II Part A 2014-16 FFY'14	-	37,160	40,822	-	(3,662)	17,337	13,675	-	-
Title II Part A 2015-17 FFY'15	-	-	-	-	-	37,635	40,719	-	(3,084)
Rural Schools and Low Income Program - Pass Through State	-	-	-	-	-	-	17,000	-	(17,000)
Cafeteria Pre-Paid Food	-	319,442	307,148	-	12,294	306,951	319,080	-	165
Payroll Withholdings	34,781	2,402,840	2,424,036	-	13,585	2,295,479	2,251,922	-	57,142
<b>Totals</b>	<b>\$ 4,495,454</b>	<b>\$ 21,649,056</b>	<b>\$ 20,486,542</b>	<b>\$ 7,175</b>	<b>\$ 5,665,143</b>	<b>\$ 21,648,442</b>	<b>\$ 20,307,721</b>	<b>\$ -</b>	<b>\$ 7,005,864</b>

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*C. Additional Pension Plan*

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the Indiana Department of Education requiring that most state and federal grant funds be spent prior to being reimbursed. The grant funds were expected to have negative balances because of the manner in which grants were administered. The reimbursements for the expenditures made by the School Corporation were not received by June 30, 2016 and 2017.

**Note 8. Holding Corporations**

The School Corporation has entered into a capital lease with Tell City-Troy Township Elementary 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 ending June 30, 2016 and 2017, totaled \$1,773,500 and \$1,771,500, respectively.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
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(Continued)

The School Corporation has entered into five capital leases with Tell City-Troy Township 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 on the five leases during the years ending June 30, 2016 and 2017, totaled \$758,829 and \$758,523, respectively.

**Note 9. Other Postemployment Benefits**

The School Corporation provides to eligible retirees and their spouses the following benefits: medical insurance, dental insurance, and vision insurance. In addition, qualifying retirees are eligible for a post severance bridge benefit for up to three years to be deposited into a 403(b) plan. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance
Cash and investments - beginning	\$ 1,249,880	\$ 667,780	\$ (9,727)	\$ 1,107,861	\$ 265,303	\$ 126,515	\$ 450,000	\$ 95,187	\$ 167,174	\$ 10,018	\$ 345,022
Receipts:											
Local sources	103,751	3,197,561	364,476	658,307	351,838	48,287	-	304,931	119,991	1,472	2,647,338
Intermediate sources	56	-	-	-	-	-	-	-	-	-	-
State sources	9,706,177	-	-	-	-	-	-	9,636	174,702	-	-
Federal sources	-	-	-	-	-	-	-	507,331	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>9,809,984</u>	<u>3,197,561</u>	<u>364,476</u>	<u>658,307</u>	<u>351,838</u>	<u>48,287</u>	<u>-</u>	<u>821,898</u>	<u>294,693</u>	<u>1,472</u>	<u>2,647,338</u>
Disbursements:											
Instruction	7,497,384	-	-	-	-	-	-	-	-	-	-
Support services	2,236,797	159,733	-	624,780	370,058	-	-	92,193	149,897	1,472	-
Noninstructional services	-	-	-	-	-	-	-	742,405	-	-	-
Facilities acquisition and construction	-	-	-	234,975	-	-	-	-	-	-	-
Debt Service	-	2,534,828	110,752	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	2,351,145
Total disbursements	<u>9,734,181</u>	<u>2,694,561</u>	<u>110,752</u>	<u>859,755</u>	<u>370,058</u>	<u>-</u>	<u>-</u>	<u>834,598</u>	<u>149,897</u>	<u>1,472</u>	<u>2,351,145</u>
Excess (deficiency) of receipts over disbursements	<u>75,803</u>	<u>503,000</u>	<u>253,724</u>	<u>(201,448)</u>	<u>(18,220)</u>	<u>48,287</u>	<u>-</u>	<u>(12,700)</u>	<u>144,796</u>	<u>-</u>	<u>296,193</u>
Other financing sources (uses):											
Sale of capital assets	-	-	-	7,175	-	-	-	-	-	-	-
Transfers in	-	-	-	330,863	153,559	19,168	-	-	-	-	-
Transfers out	-	(453,899)	(49,691)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(453,899)</u>	<u>(49,691)</u>	<u>338,038</u>	<u>153,559</u>	<u>19,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>75,803</u>	<u>49,101</u>	<u>204,033</u>	<u>136,590</u>	<u>135,339</u>	<u>67,455</u>	<u>-</u>	<u>(12,700)</u>	<u>144,796</u>	<u>-</u>	<u>296,193</u>
Cash and investments - ending	<u>\$ 1,325,683</u>	<u>\$ 716,881</u>	<u>\$ 194,306</u>	<u>\$ 1,244,451</u>	<u>\$ 400,642</u>	<u>\$ 193,970</u>	<u>\$ 450,000</u>	<u>\$ 82,487</u>	<u>\$ 311,970</u>	<u>\$ 10,018</u>	<u>\$ 641,215</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
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	Educational License Plates	Lilly Counseling Initiative	Techpoint Foundation for Youth	PCCF - WTE Tell-E-Vision Grant	Project Great Income	Perry Co. Community Foundation (PCCF) - Computer Science	PCCF Grant - JH Digital Yearbook	PCCF Grant - Empty Bowls Project	PCCF Grant - Community Film	Educational License Plates	SIREC Community Trust Grant
Cash and investments - beginning	\$ 56	\$ -	\$ -	\$ 782	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 390	\$ -
Receipts:											
Local sources	-	-	-	-	1,000	2,091	817	3,753	2,115	-	1,250
Intermediate sources	150	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	150	-	-	-	1,000	2,091	817	3,753	2,115	-	1,250
Disbursements:											
Instruction	-	-	-	782	-	2,091	817	2,297	2,115	185	-
Support services	34	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	34	-	-	782	-	2,091	817	2,297	2,115	185	-
Excess (deficiency) of receipts over disbursements	116	-	-	(782)	1,000	-	-	1,456	-	(185)	1,250
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	116	-	-	(782)	1,000	-	-	1,456	-	(185)	1,250
Cash and investments - ending	\$ 172	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 1,456	\$ -	\$ 205	\$ 1,250

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
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	Boerste Sensory Needs Grant	PCCF - WTE Tell-E-Vision #2	Welborn Grant 2013-2014	Welborn Baptist Mini Grant 2013	Welborn 2014-2015 Heroes	Welborn Mini Grant 2014 - WTE	Welborn Yr 4 & More - 2015-16	Welborn Yr 4 & More - 2016-17	Stuff the Bus Campaign	Gerald Thomas Fund for Youth	Jams At-Risk Program
Cash and investments - beginning	\$ -	\$ -	\$ 669	\$ 407	\$ 6,112	\$ 412	\$ -	\$ -	\$ 53	\$ 23	\$ 1,071
Receipts:											
Local sources	10,000	-	26	-	-	-	2,000	-	-	453	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	10,000	-	26	-	-	-	2,000	-	-	453	-
Disbursements:											
Instruction	7,685	-	695	407	1,455	412	2,000	-	-	-	552
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	170	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,685	-	695	407	1,455	412	2,000	-	-	170	552
Excess (deficiency) of receipts over disbursements	2,315	-	(669)	(407)	(1,455)	(412)	-	-	-	283	(552)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,315	-	(669)	(407)	(1,455)	(412)	-	-	-	283	(552)
Cash and investments - ending	\$ 2,315	\$ -	\$ -	\$ -	\$ 4,657	\$ -	\$ -	\$ -	\$ 53	\$ 306	\$ 519

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
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	Perry Co S.A. - Life Strategies	Donna Fenn LIT Fund 2014-2015	WTE Lego League	United Way - Family Outreach	Nextech Computer Science	Donna Fenn Literacy 2015/16	United Way Family Outreach '16	IN Retired Teachers Fdn. Grant	Nextech ECS Workshop Grant '16	Donna Fenn Literacy 2016/17	Quick Click Challenge Program
Cash and investments - beginning	\$ 13	\$ 1,266	\$ 606	\$ 3,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	300	-	3,220	2,660	5,000	509	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	300	-	3,220	2,660	5,000	509	-	-	-
Disbursements:											
Instruction	13	-	27	2,521	3,220	-	-	503	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13	-	27	2,521	3,220	-	-	503	-	-	-
Excess (deficiency) of receipts over disbursements	(13)	-	273	(2,521)	-	2,660	5,000	6	-	-	-
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13)	-	273	(2,521)	-	2,660	5,000	6	-	-	-
Cash and investments - ending	\$ -	\$ 1,266	\$ 879	\$ 1,296	\$ -	\$ 2,660	\$ 5,000	\$ 6	\$ -	\$ -	\$ -

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
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	Perry Co Substance Abuse - Drug Test	Band Program - McCart Gift	United Way Fam Outreach '16/17	WTE STEM City Lab	On Target 2012-2013	On Target 2013-2014	Bullying Prevention Program	High Ability 2014-2015	High Ability 2015/2016	Formative Assessment	Instructional Support
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,528	\$ 19,256	\$ 4,167	\$ 7,763	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	5	1,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	31,585	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	5	1,000	-	31,585	-	-
Disbursements:											
Instruction	-	-	-	-	1,965	-	1,779	7,763	20,723	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,965	-	1,779	7,763	20,723	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(1,965)	5	(779)	(7,763)	10,862	-	-
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(1,965)	5	(779)	(7,763)	10,862	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 563	\$ 19,261	\$ 3,388	\$ -	\$ 10,862	\$ -	\$ -

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	Secured Schools Safety Grant	State Connectivity Grant	Career and Technical Performance Grant	21st Century Scholars	Title I 2014-2015	Title I 2015-2016	Title I 2016-2017	Perkins Grant 2014-2015	Perkins Grant 2015/2016	Medicaid Reimbursement - Federal	21st Century Learning Center
Cash and investments - beginning	\$ 1	\$ 1,233	\$ -	\$ -	\$ (23,083)	\$ -	\$ -	\$ (1,088)	\$ -	\$ 47,493	\$ (82,596)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	24,146	6,564	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	68,561	195,977	-	7,760	20,757	19,343	88,854
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	24,146	6,564	-	-	68,561	195,977	-	7,760	20,757	19,343	88,854
Disbursements:											
Instruction	-	-	-	-	26,823	194,725	-	6,672	30,614	-	-
Support services	-	6,093	-	-	15,365	6,547	-	-	-	-	6,258
Noninstructional services	-	-	-	-	3,290	19,850	-	-	-	-	-
Facilities acquisition and construction	24,147	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,147	6,093	-	-	45,478	221,122	-	6,672	30,614	-	6,258
Excess (deficiency) of receipts over disbursements	(1)	471	-	-	23,083	(25,145)	-	1,088	(9,857)	19,343	82,596
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	471	-	-	23,083	(25,145)	-	1,088	(9,857)	19,343	82,596
Cash and investments - ending	\$ -	\$ 1,704	\$ -	\$ -	\$ -	\$ (25,145)	\$ -	\$ -	\$ (9,857)	\$ 66,836	\$ -

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	21st Century Learning CC 2015-2016	21st CCLC Grant Yr #3 2016/17	McKinney- Vento 2015-2016	McKinney- Vento 2016-2017	Title II Part A 2013-2015	Title II Part A 2014-16 FFY'14	Title II Part A 2015-17 FFY'15	Rural Schools and Low Income Program - Pass Through State	Cafeteria Pre-Paid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (2,730)	\$ -	\$ -	\$ -	\$ (3,961)	\$ -	\$ -	\$ -	\$ -	\$ 34,781	\$ 4,495,454
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	7,834,151
Intermediate sources	-	-	-	-	-	-	-	-	-	-	206
State sources	-	-	-	-	-	-	-	-	-	-	9,952,810
Federal sources	172,869	-	10,000	-	10,995	37,160	-	-	-	-	1,139,607
Other receipts	-	-	-	-	-	-	-	-	319,442	2,402,840	2,722,282
Total receipts	172,869	-	10,000	-	10,995	37,160	-	-	319,442	2,402,840	21,649,056
Disbursements:											
Instruction	-	-	-	-	7,034	40,822	-	-	-	-	7,864,081
Support services	190,488	-	10,000	-	-	-	-	-	-	-	3,869,715
Noninstructional services	-	-	-	-	-	-	-	-	-	-	765,715
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	259,122
Debt Service	-	-	-	-	-	-	-	-	-	-	2,645,580
Nonprogrammed charges	-	-	-	-	-	-	-	-	307,148	2,424,036	5,082,329
Total disbursements	190,488	-	10,000	-	7,034	40,822	-	-	307,148	2,424,036	20,486,542
Excess (deficiency) of receipts over disbursements	(17,619)	-	-	-	3,961	(3,662)	-	-	12,294	(21,196)	1,162,514
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	7,175
Transfers in	-	-	-	-	-	-	-	-	-	-	503,590
Transfers out	-	-	-	-	-	-	-	-	-	-	(503,590)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	7,175
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,619)	-	-	-	3,961	(3,662)	-	-	12,294	(21,196)	1,169,689
Cash and investments - ending	\$ (20,349)	\$ -	\$ -	\$ -	\$ -	\$ (3,662)	\$ -	\$ -	\$ 12,294	\$ 13,585	\$ 5,665,143

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance
Cash and investments - beginning	\$ 1,325,683	\$ 716,881	\$ 194,306	\$ 1,244,451	\$ 400,642	\$ 193,970	\$ 450,000	\$ 82,487	\$ 311,970	\$ 10,018	\$ 641,215
Receipts:											
Local sources	237,494	3,079,936	418,138	700,709	341,597	30,622	-	340,459	88,898	1,094	2,616,167
Intermediate sources	94	-	-	-	-	-	-	-	-	-	-
State sources	9,985,492	-	-	-	-	-	-	10,260	47,911	-	-
Federal sources	-	-	-	-	-	-	-	459,699	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	10,223,080	3,079,936	418,138	700,709	341,597	30,622	-	810,418	136,809	1,094	2,616,167
Disbursements:											
Instruction	7,080,393	-	-	-	-	-	-	-	-	-	-
Support services	2,545,496	-	-	474,730	359,187	-	-	98,193	196,784	1,094	-
Noninstructional services	-	-	-	-	-	-	-	743,541	-	-	-
Facilities acquisition and construction	-	-	-	250,363	-	-	-	-	-	-	-
Debt Service	-	2,532,715	414,167	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	2,363,008
Total disbursements	9,625,889	2,532,715	414,167	725,093	359,187	-	-	841,734	196,784	1,094	2,363,008
Excess (deficiency) of receipts over disbursements	597,191	547,221	3,971	(24,384)	(17,590)	30,622	-	(31,316)	(59,975)	-	253,159
Other financing sources (uses):											
Transfers in	42,766	-	-	292,967	134,523	7,833	-	-	-	-	-
Transfers out	-	(411,231)	(52,534)	(14,324)	-	-	-	-	-	-	-
Total other financing sources (uses)	42,766	(411,231)	(52,534)	278,643	134,523	7,833	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	639,957	135,990	(48,563)	254,259	116,933	38,455	-	(31,316)	(59,975)	-	253,159
Cash and investments - ending	\$ 1,965,640	\$ 852,871	\$ 145,743	\$ 1,498,710	\$ 517,575	\$ 232,425	\$ 450,000	\$ 51,171	\$ 251,995	\$ 10,018	\$ 894,374

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Educational License Plates	Lilly Counseling Initiative	Techpoint Foundation for Youth	PCCF - WTE Tell-E-Vision Grant	Project Great Income	Perry Co. Community Foundation (PCCF) - Computer Science	PCCF Grant - JH Digital Yearbook	PCCF Grant - Empty Bowls Project	PCCF Grant - Community Film	Educational License Plates	SIREC Community Trust Grant
Cash and investments - beginning	\$ 172	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 1,456	\$ -	\$ 205	\$ 1,250
Receipts:											
Local sources	-	30,000	500	-	-	-	-	3,213	-	-	-
Intermediate sources	131	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	131	30,000	500	-	-	-	-	3,213	-	-	-
Disbursements:											
Instruction	-	20,530	449	-	-	-	-	1,614	-	205	-
Support services	211	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	211	20,530	449	-	-	-	-	1,614	-	205	-
Excess (deficiency) of receipts over disbursements	(80)	9,470	51	-	-	-	-	1,599	-	(205)	-
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(80)	9,470	51	-	-	-	-	1,599	-	(205)	-
Cash and investments - ending	\$ 92	\$ 9,470	\$ 51	\$ -	\$ 2,000	\$ -	\$ -	\$ 3,055	\$ -	\$ -	\$ 1,250

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Boerste Sensory Needs Grant	PCCF - WTE Tell-E-Vision #2	Welborn Grant 2013-2014	Welborn Baptist Mini Grant 2013	Welborn 2014-2015 Heroes	Welborn Mini Grant 2014 - WTE	Welborn Yr 4 & More - 2015-16	Welborn Yr 4 & More - 2016-17	Stuff the Bus Campaign	Gerald Thomas Fund for Youth	Jams At-Risk Program
Cash and investments - beginning	\$ 2,315	\$ -	\$ -	\$ -	\$ 4,657	\$ -	\$ -	\$ -	\$ 53	\$ 306	\$ 519
Receipts:											
Local sources	-	3,000	-	-	-	-	-	800	-	463	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	3,000	-	-	-	-	-	800	-	463	-
Disbursements:											
Instruction	2,315	3,000	-	-	4,008	-	-	-	27	-	500
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	458	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,315	3,000	-	-	4,008	-	-	-	27	458	500
Excess (deficiency) of receipts over disbursements	(2,315)	-	-	-	(4,008)	-	-	800	(27)	5	(500)
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,315)	-	-	-	(4,008)	-	-	800	(27)	5	(500)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 649	\$ -	\$ -	\$ 800	\$ 26	\$ 311	\$ 19

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Perry Co S.A. - Life Strategies	Donna Fenn LIT Fund 2014-2015	WTE Lego League	United Way - Family Outreach	Nextech Computer Science	Donna Fenn Literacy 2015/16	United Way Family Outreach '16	IN Retired Teachers Fdn. Grant	Nextech ECS Workshop Grant '16	Donna Fenn Literacy 2016/17	Quick Click Challenge Program
Cash and investments - beginning	\$ -	\$ 1,266	\$ 879	\$ 1,296	\$ -	\$ 2,660	\$ 5,000	\$ 6	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	3,395	594	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	5,100
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	3,395	594	5,100
Disbursements:											
Instruction	-	-	79	1,296	-	-	5,000	-	3,395	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	79	1,296	-	-	5,000	-	3,395	-	-
Excess (deficiency) of receipts over disbursements	-	-	(79)	(1,296)	-	-	(5,000)	-	-	594	5,100
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(79)	(1,296)	-	-	(5,000)	-	-	594	5,100
Cash and investments - ending	\$ -	\$ 1,266	\$ 800	\$ -	\$ -	\$ 2,660	\$ -	\$ 6	\$ -	\$ 594	\$ 5,100

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Perry Co Substance Abuse - Drug Test	Band Program - McCart Gift	United Way Fam Outreach '16/17	WTE STEM City Lab	On Target 2012-2013	On Target 2013-2014	Bullying Prevention Program	High Ability 2014-2015	High Ability 2015/2016	Formative Assessment	Instructional Support
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 563	\$ 19,261	\$ 3,388	\$ -	\$ 10,862	\$ -	\$ -
Receipts:											
Local sources	856	500	5,000	3,650	-	480	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	19,605	31,223
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>856</u>	<u>500</u>	<u>5,000</u>	<u>3,650</u>	<u>-</u>	<u>480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,605</u>	<u>31,223</u>
Disbursements:											
Instruction	-	-	-	1,356	-	-	688	-	10,862	18,565	23,418
Support services	-	-	-	-	-	-	-	-	-	1,040	-
Noninstructional services	-	500	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>500</u>	<u>-</u>	<u>1,356</u>	<u>-</u>	<u>-</u>	<u>688</u>	<u>-</u>	<u>10,862</u>	<u>19,605</u>	<u>23,418</u>
Excess (deficiency) of receipts over disbursements	<u>856</u>	<u>-</u>	<u>5,000</u>	<u>2,294</u>	<u>-</u>	<u>480</u>	<u>(688)</u>	<u>-</u>	<u>(10,862)</u>	<u>-</u>	<u>7,805</u>
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>856</u>	<u>-</u>	<u>5,000</u>	<u>2,294</u>	<u>-</u>	<u>480</u>	<u>(688)</u>	<u>-</u>	<u>(10,862)</u>	<u>-</u>	<u>7,805</u>
Cash and investments - ending	<u>\$ 856</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 2,294</u>	<u>\$ 563</u>	<u>\$ 19,741</u>	<u>\$ 2,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,805</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Secured Schools Safety Grant	State Connectivity Grant	Career and Technical Performance Grant	21st Century Scholars	Title I 2014-2015	Title I 2015-2016	Title I 2016-2017	Perkins Grant 2014-2015	Perkins Grant 2015/2016	Medicaid Reimbursement - Federal	21st Century Learning Center
Cash and investments - beginning	\$ -	\$ 1,704	\$ -	\$ -	\$ -	\$ (25,145)	\$ -	\$ -	\$ (9,857)	\$ 66,836	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	5,434	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	20,408	8,468	8,845	350	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	55,292	175,279	-	11,324	21,607	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	20,408	8,468	8,845	350	-	55,292	180,713	-	11,324	21,607	-
Disbursements:											
Instruction	-	-	1,620	-	-	29,812	194,839	-	1,467	-	-
Support services	-	6,564	-	-	-	-	6,702	-	-	2,006	-
Noninstructional services	-	-	-	-	-	-	15,886	-	-	-	-
Facilities acquisition and construction	20,002	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	20,002	6,564	1,620	-	-	29,812	217,427	-	1,467	2,006	-
Excess (deficiency) of receipts over disbursements	406	1,904	7,225	350	-	25,480	(36,714)	-	9,857	19,601	-
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	406	1,904	7,225	350	-	25,480	(36,714)	-	9,857	19,601	-
Cash and investments - ending	\$ 406	\$ 3,608	\$ 7,225	\$ 350	\$ -	\$ 335	\$ (36,714)	\$ -	\$ -	\$ 86,437	\$ -

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	21st Century Learning CC 2015-2016	21st CCLC Grant Yr #3 2016/17	McKinney- Vento 2015-2016	McKinney- Vento 2016-2017	Title II Part A 2013-2015	Title II Part A 2014-16 FFY'14	Title II Part A 2015-17 FFY'15	Rural Schools and Low Income Program - Pass Through State	Cafeteria Pre-Paid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (20,349)	\$ -	\$ -	\$ -	\$ -	\$ (3,662)	\$ -	\$ -	\$ 12,294	\$ 13,585	\$ 5,665,143
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	7,912,999
Intermediate sources	-	-	-	-	-	-	-	-	-	-	225
State sources	-	-	-	-	-	-	-	-	-	-	10,137,662
Federal sources	40,088	164,865	-	12,000	-	17,337	37,635	-	-	-	995,126
Other receipts	-	-	-	-	-	-	-	-	306,951	2,295,479	2,602,430
Total receipts	40,088	164,865	-	12,000	-	17,337	37,635	-	306,951	2,295,479	21,648,442
Disbursements:											
Instruction	-	-	-	-	-	13,675	40,719	17,000	-	-	7,476,832
Support services	19,739	195,501	-	12,000	-	-	-	-	-	-	3,919,247
Noninstructional services	-	-	-	-	-	-	-	-	-	-	760,385
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	270,365
Debt Service	-	-	-	-	-	-	-	-	-	-	2,946,882
Nonprogrammed charges	-	-	-	-	-	-	-	-	319,080	2,251,922	4,934,010
Total disbursements	19,739	195,501	-	12,000	-	13,675	40,719	17,000	319,080	2,251,922	20,307,721
Excess (deficiency) of receipts over disbursements	20,349	(30,636)	-	-	-	3,662	(3,084)	(17,000)	(12,129)	43,557	1,340,721
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	478,089
Transfers out	-	-	-	-	-	-	-	-	-	-	(478,089)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,349	(30,636)	-	-	-	3,662	(3,084)	(17,000)	(12,129)	43,557	1,340,721
Cash and investments - ending	\$ -	\$ (30,636)	\$ -	\$ -	\$ -	\$ -	\$ (3,084)	\$ (17,000)	\$ 165	\$ 57,142	\$ 7,005,864

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 57,207</u>	<u>\$ 87,434</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Tell City-Troy Township School Building Corporation	High School Building Remodeling	\$ 109,666	6/30/2007	8/30/2021
Tell City-Troy Township School Building Corporation	High School Building Remodeling	160,000	6/15/2009	6/15/2022
Tell City-Troy Township School Building Corporation	High School Building Remodeling	204,500	6/30/2012	12/31/2025
Tell City-Troy Township Elementary School Building Corporation	Elementary Building Mortgage Refunding	1,779,250	1/15/2016	1/15/2024
Tell City-Troy Township School Building Corporation	High School Building Improvements	180,100	1/15/2011	7/15/2029
Tell City-Troy Township School Building Corporation	High School Building Improvements	<u>159,144</u>	1/15/2011	7/15/2029
Total governmental activities		<u>2,592,660</u>		
Total of annual lease payments		<u>\$ 2,592,660</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	School Severance Series 2015	\$ 420,464
Totals		<u>\$ 420,464</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION, PERRY COUNTY, INDIANA

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

We have audited the Tell City-Troy Township School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 below, 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 items 2017-002 and 2017-003 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 Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Eligibility. Consequently, we were 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 possible effects of the matter described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 the Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2015 to June 30, 2017.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-004. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.


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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001, 2017-002, 2017-003, 2017-004, and 2014-005, that we consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

April 30, 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.

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TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2015/16	\$ -	\$ 106,616	\$ -	\$ -
School Breakfast Program			FY 2016/17	-	-	-	100,858
Total - School Breakfast Program				-	106,616	-	100,858
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY 2015/16	-	386,710	-	-
School Lunch Program			FY 2016/17	-	-	-	353,885
School Lunch Commodities			FY 2015/16	-	49,204	-	-
School Lunch Commodities			FY 2016/17	-	-	-	64,072
Total - National School Lunch Program				-	435,914	-	417,957
Summer Food Service Program for Children							
Summer Lunch Program	Indiana Department of Education	10.559					
Summer Lunch Program			FY 2015/16	-	14,004	-	-
Summer Lunch Program			FY 2016/17	-	-	-	16,156
Total - Summer Food Service Program for Children				-	14,004	-	16,156
Total - Child Nutrition Cluster				-	556,534	-	534,971
Total - Department of Agriculture				-	556,534	-	534,971
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
FY 2014 Part B IDEA 611			14214011PN01	-	17,647	-	-
FY 2015 Part B IDEA 611			14215011PN01	-	153,589	-	19,494
FY 2016 Part B IDEA 611			14216009PN01	-	132,874	-	171,994
FY 2017 Part B IDEA 611			14217009PN01	-	-	-	123,426
FY 2014 Tech Assist Grant			99914011TA01	-	675	-	-
Total - Special Education_Grants to States				-	304,785	-	314,914

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Special Education_Preschool Grants	Indiana Department of Education	84.173					
FY 2015 Part B 619			45715011PN01	-	9,257	-	-
FY 2016 Part B 619			45716009PN01	-	7,108	-	8,714
FY 2017 Part B 619			45717009PN01	-	-	-	3,338
Total - Special Education_Preschool Grants				-	16,365	-	12,052
Total - Special Education Cluster (IDEA)				-	321,150	-	326,966
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2014-2015			Project #15-6350	-	68,561	-	-
Title I 2015-2016			Project #16-6350	-	195,977	-	55,292
Title I 2016-2017			Project #17-6350	-	-	-	175,279
Total - Title I Grants to Local Educational Agencies				-	264,538	-	230,571
Career and Technical Education--Basic Grants to States	Indiana Department of Education	84.048					
Perkins Grant 2014/15			15-4700-6350	-	7,760	-	-
Perkins Grant 2015/16			16-4700-6350	-	20,757	-	-
Perkins Grant 2016/17			17-4700-6350	-	-	-	11,324
Total - Career and Technical Education--Basic Grants to States				-	28,517	-	11,324
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
McKinney-Vento 2015/16			A58-5-15SS-2343	-	10,000	-	-
McKinney-Vento 2016-2017			A58-7-17SS-3970	-	-	-	12,000
Total - Education for Homeless Children and Youth				-	10,000	-	12,000

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
21st Century Community Learning Centers Program 2014/15 Year 1			A58-6-15DL-2133	-	88,854	-	-
21st Century Community Learning Centers Program 2015/16 Year 2			A58-6-16DL-3066	-	172,869	-	40,088
21st Century Community Learning Centers Program 2016/17 Year 3			A58-7-17DL-0068	-	-	-	164,865
<b>Total - Twenty-First Century Community Learning Centers</b>				<b>-</b>	<b>261,723</b>	<b>-</b>	<b>204,953</b>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II Part A 2013-2015			Project #13-6350	-	10,995	-	-
Title II Part A 2014-2016			Project #14-6350	-	37,160	-	17,337
Title II Part A 2015-2017			Project #15-6350	-	-	-	37,635
<b>Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)</b>				<b>-</b>	<b>48,155</b>	<b>-</b>	<b>54,972</b>
<b>Total - Department of Education</b>				<b>-</b>	<b>934,083</b>	<b>-</b>	<b>840,786</b>
<b>Department of Health and Human Services</b>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid Reimbursement			FY 2015/16	-	19,343	-	-
Medicaid Reimbursement			FY 2016/17	-	-	-	21,607
<b>Total - Medical Assistance Program</b>				<b>-</b>	<b>19,343</b>	<b>-</b>	<b>21,607</b>
<b>Total - Medicaid Cluster</b>				<b>-</b>	<b>19,343</b>	<b>-</b>	<b>21,607</b>
<b>Total - Department of Health and Human Services</b>				<b>-</b>	<b>19,343</b>	<b>-</b>	<b>21,607</b>
<b>Total federal awards expended</b>				<b>\$ -</b>	<b>\$ 1,509,960</b>	<b>\$ -</b>	<b>\$ 1,397,364</b>

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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 the Uniform Guidance, 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. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. *Exceptional Children's Cooperative***

The School Corporation is a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement of the School Corporation.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Qualified
Special Education Cluster (IDEA)	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs: \$750,000	
Auditee qualified as low-risk auditee?	no

**Section II - Financial Statement Findings**

No matters are reportable.

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

**FINDING 2017-001**

Subject: Special Education\_Grants to States - Procurement and Suspension and Debarment  
 Federal Agency: Department of Education  
 Federal Program: Special Education\_Grants to States  
 CFDA Number: 84.027  
 Federal Award Numbers and Years (or Other Identifying Numbers): 14214011PN01, 14215011PN01, 14216009PN01

Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Procurement and Suspension and Debarment  
 Audit Findings: Material Weakness, Other Matters

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

*Condition*

The School Corporation was a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the Special Education Grant funds.

Management of the Cooperative had not established an effective internal control system to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

*Context*

During the 2015-2016 school year, there were two covered transactions entered into that exceeded \$25,000. The Cooperative did not verify that the vendors were not suspended or debarred prior to entering into a covered transaction.

*Criteria*

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). . . ."

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:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or 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 develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment requirement listed above.

*Views of Responsible Officials*

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

**FINDING 2017-002**

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

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015/16, FY 2016/17

Pass-Through Entity: Indiana Department of Education

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

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-002 and 2015-007.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

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

There was no segregation of duties documented, such as an oversight, review, or approval process, or other compensating control over the verifications performed during the audit period.

The School Food Authority (SFA) Verification Collection Report (Verification Summary) for the 2015-2016 school year indicated that 19 applications were verified; however, information was not available to support the total number of applications that were reported on the Verification Summary in order to determine whether the correct number of applications were selected for verification. In addition, the cafeteria software could not be accessed and the Applications for Free or Reduced Price School Meals were not able to be reviewed in order to verify the original eligibility determination that had been made.

*Context*

Internal controls were not in place during the entire audit period. Verification testing could not be performed for the 2015-2016 school year.

*Criteria*

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 210.15(b) states in part:

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

- (4) Currently approved and denied certification documentation for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title; . . ."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:  
. . .

- (14) Retain documentation of free or reduced price eligibility as follows:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(i) Maintain files of currently approved and denied free and reduced price applications which must be readily retrievable by school for a period of three years after the end of the fiscal year to which they pertain; or

(ii) Maintain files with the names of children currently approved for free meals through direct certification with the supporting documentation, as specified in § 245.6(b)(4) of this chapter, which must be readily retrievable by school. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

*Effect*

The failure to establish controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit.

*Views of Responsible Officials*

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

**FINDING 2017-003**

Subject: School Breakfast Program and National School Lunch Program - Eligibility

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015/16, FY 2016/17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-002 and 2015-004.

*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 Eligibility compliance requirement.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation participated in the school food service program and based students' eligibility status on the information recorded in the cafeteria software. The School Corporation relied on the eligibility designations within the software as administered. The School Corporation was unable to access information in the cafeteria software for the 2015-2016 school year. In addition, there were no hard copies of the Applications for Free or Reduced Price School Meals maintained for audit. Therefore, eligibility testing could not be performed for 2015-2016 school year.

The School Corporation did not publicly announce all the criteria for determining the eligibility of children for free and reduced price meals for either year of the audit period.

*Context*

Eligibility testing could not be performed for the 2015-2016 school year. The criteria for determining the eligibility of children to receive free and reduced price meals was not publicly announced for either year of the audit period.

*Criteria*

2 CFR 200.333 states in part:

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

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 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:  
. . .

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

7 CFR 245.5(a) states in part:

"After the State agency, or FNSRO where applicable, notifies the local educational agency (as defined in § 245.2) that its criteria for determining the eligibility of children for free and reduced price meals and for free milk have been approved, the local educational agency (as defined in § 245.2) shall publicly announce such criteria: . . . The public announcement of such criteria, as a minimum, shall include the following:

- (1) Except as provided in § 245.6(b), a letter or notice and application distributed on or about the beginning of each school year, to the parents of all children in attendance at school. . . .
- (2) On or about the beginning of each school year, a public release, containing the same information supplied to parents, and including both free and reduced price eligibility criteria shall be provided to the informational media, the local unemployment office, and to any major employers contemplating large layoffs in the area from which the school draws its attendance."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit and that eligibility criteria to receive free and reduced price meals were publicly announced.

*Effect*

The failure to establish controls that would have ensured records were retained and available for audit prevented the determination of the School Corporation's compliance with Eligibility requirements for the 2015-2016 school year. The failure to establish adequate controls also prevented all required eligibility criteria from being publicly announced.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit and that all eligibility criteria to receive free and reduced price meals were publicly announced.

TELL CITY-TROY TOWNSHIP 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 2017-004**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015/16, FY 2016/17  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-002 and 2015-005.

*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.

The School Corporation solicited bids for the purchase of bread and dairy products for the school food service program for each school year. The School Board accepted and awarded the bids during public meetings, but no agreements were signed with the successful vendor. The School Corporation did not verify that the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to awarding the bid.

The School Corporation purchased food and supply items from one vendor with total purchases of \$76,825 during the 2015-2016 school year and \$73,152 during the 2016-2017 school year without soliciting quotes.

The School Corporation purchased food and supply items from one vendor with total purchase of \$294,729 during the 2015-2016 school year and \$295,846 during the 2016-2017 school year without soliciting bids.

*Context*

The internal controls and compliance issues were systemic problems throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement. . . .

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason. . . ."

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

2 CFR 180.300 states:

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

You do this by:

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

*Cause*

Management of the School Corporation 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 establish controls to ensure compliance and comply with the Procurement and Suspension and Debarment requirements.

*Views of Responsible Officials*

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2017-005**

Subject: Child Nutrition Cluster - Reporting  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015/16, FY 2016/17  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-002.

*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 Reporting compliance requirement.

The Extracurricular Accounts Manager had sole responsibility for preparing and submitting the monthly Sponsor Claims (claims for reimbursement), the Annual Financial Report, and the School Food Authority (SFA) Verification Collection Reports with no evidence of an independent oversight, review, or approval process to ensure the accuracy of the reports submitted.

*Context*

This was a systemic problem throughout the audit period.

*Criteria*

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). . . ."

2 CFR 200.333 states in part:

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

*"Home of the Marksmen"*

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Fax: (812) 547-9704

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2015-003

Fiscal year in which the finding occurred: 2013-14/2014-15

Pass-Through Entity, If pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

### Status of Audit Finding:

The Food Service Department implemented the necessary Time and Effort Reporting during the 2017-18 school year.



ECA Manager



Superintendent

3-12-2018

Date

# Tell City-Troy Township School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2015-004

Fiscal year in which the finding occurred: 2013-14/2014-15

Pass-Through Entity, If pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

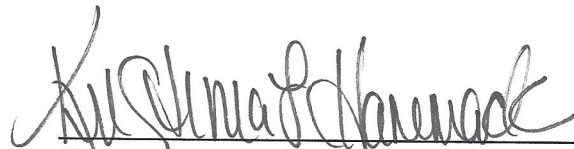
Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

Status of Audit Finding:

At the end of each school year all free and reduced web applications are being printed. This started with the 2016-2017 school year.

Starting with the 2017-2018 school year, Tell City Troy-Township School Corporation used the Indiana Department of Education State Assistance Eligibility and Parent Letter/Instructions to inform the public of the eligibility criteria. This was posted on our website and sent home with each student in the back to school parent packet on the first day of school.

  
\_\_\_\_\_  
ECA Manager

  
\_\_\_\_\_  
Superintendent

3-12-2018  
\_\_\_\_\_  
Date

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2015-005

Fiscal year in which the finding occurred: 2013-14/2014-15

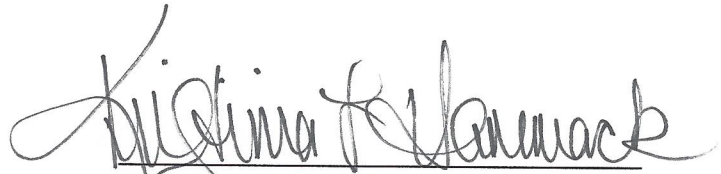
Pass-Through Entity, If pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

#### Status of Audit Finding:

The ECA Manager and Superintendent insured that the 2017-2018 contracts for Bread, Fuel, and Dairy were signed, and that the vendors have not been suspended or debarred prior the the acceptance of the bid.



ECA Manager



Superintendent

3-12-2018

Date

# Tell City-Troy Township School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2015-006

Fiscal year in which the finding occurred: 2013-14/2014-15

Pass-Through Entity, If pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

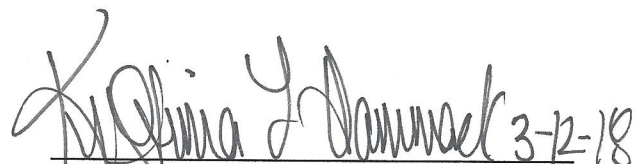
Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack


Contact Phone Number: 812-547-3300

#### Status of Audit Finding:

ECA Manager worked with building Cafeteria Managers and ECA Treasurers immediately in April 2017 to insure that the Cafeteria Line Report, Harmony Bank Deposit Report, Yellow Bank Deposit Ticket, and Bank Deposit are compiled together and submitted to Central Office daily. ECA Manager daily processes daily cash and checks deposit "pre-paid deductions" and credit card deposits in Komptrol and attached to Komputrol receipt. Since then the daily reports and supporting documents are stored together.

Also in April 2017, the ECA Manager began breaking down and documenting in Komputrol the amount of cash, check, and credit credit card in the daily deposits and where they were received from.

  
ECA Manager 3-12-18

  
Superintendent 3.13.18

# Tell City-Troy Township School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2015-007

Fiscal year in which the finding occurred: 2013-14/2014-15

Pass-Through Entity, If pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

### Status of Audit Finding:

At the end of each school year all free and reduced web application are being printed. This started with the 2016-2017 school year.

When compiling the 2017-18 Verification report, Harmony random selection for verification was used. Also, the ECA Manager insures that supporting documentations was attached. Superintendent reviews and signs off prior to submission.

  
\_\_\_\_\_  
ECA Manager

  
\_\_\_\_\_  
Superintendent

3-12-2018  
\_\_\_\_\_  
Date

# Tell City-Troy Township School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-008

Fiscal year in which the finding occurred: 2013-14/2014-15

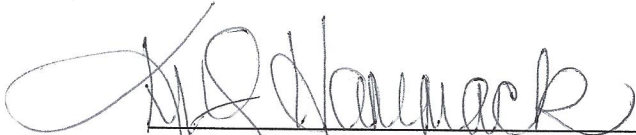
Pass-Through Entity, If pass-through of Federal Grantor Agency, if direct: Indiana Department of Education


Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack

Contact Phone Number: 812-547-3300

Status of Audit Finding:

ECA Manager starting with the 2017-18 school year completed and used the paid lunch equity calculation tool provided by the DOE, and insured that lunch prices are compliant with state guidelines. The Superintendent took price changes to the School Board in the July 11, 2017 meeting.

  
\_\_\_\_\_  
ECA Manager

  
\_\_\_\_\_  
Superintendent

3-12-2018  
\_\_\_\_\_  
Date

# Tell City-Troy Township School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2015-009**

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

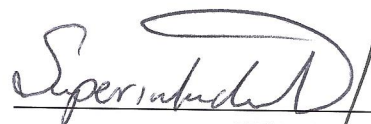
Contact Person Responsible for Corrective Action: John A. Scioldo, Superintendent & Debra A. Elder, Corporation Treasurer

Contact Phone Number: 812-547-3300

Status of Audit Finding:

During the audit period currently being examined covering July 1, 2015 through June 30, 2017, no administrators have been paid from Title I. In addition, semi-annual Certifications and Time and Effort Logs have been maintained and signed by a supervisory official.

  
( Signature(s) )

 / Corp. Treasurer  
( Title(s) )

3-12-18 / 3/12/2018  
( Date )

# Tell City-Troy Township School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2015-010***

Fiscal year in which the finding initially occurred: 2015

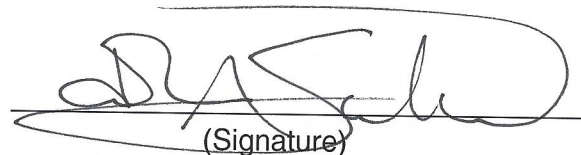
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: John A. Scioldo, Superintendent

Contact Phone Number: 812-547-3300

#### Status of Audit Finding:

The superintendent has instructed the administration to collect and retain physical inventory sheets at the end of each school year. A copy of Board Policy 7450 has been provided to all administrators. The asset records have not yet been updated. This task was primarily tasked to the former two corporation maintenance supervisors, both of whom are no longer with the corporation, and that position has since been eliminated. The corporation treasurer will be addressing this task sometime during 2018.



(Signature)

\_\_\_\_\_  
Superintendent

( Title)

\_\_\_\_\_  
March 12, 2018

(Date)

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2015-011**

Fiscal year in which the finding initially occurred: 2015

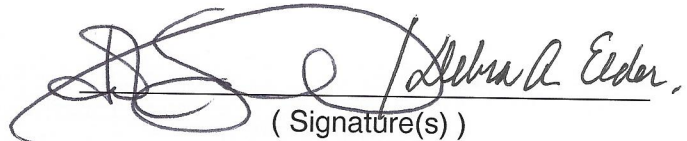
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

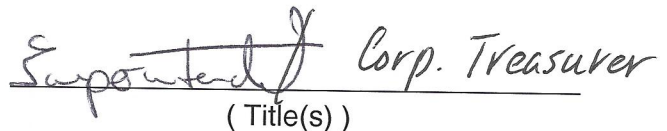
Contact Person Responsible for Corrective Action: John A. Scioldo, Superintendent & Debra A. Elder, Corporation Treasurer

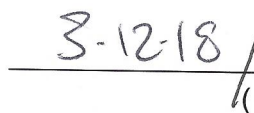
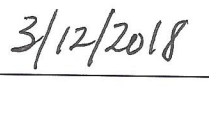
Contact Phone Number: 812-547-3300

Status of Audit Finding:

During the audit period currently being examined covering July 1, 2015 through June 30, 2017, no students have been paid from Title I. In addition, a policy is in place regarding the requirements for paraprofessionals including Title I, of which a copy is attached hereto.

  
( Signature(s) )

  
( Title(s) )

 /   
( Date )

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

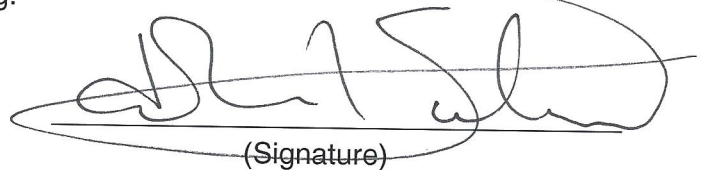
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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDINGS 2015-001 THROUGH 2015-011, Blanket Addendum***

Due to the timing of the audit covering July 1, 2013 through June 30, 2015, the audit was completed in late June, 2017, and the Corrective Action Plans to the 11 findings were completed on June 21, 2017. With only 9 days remaining at that time for the *subsequent* audit period covering July 1, 2015 through June 30, 2017, not all findings were corrected and/or resolved prior to June 30, 2017. Implementation dates, if applicable, are noted in the Summary Schedule of Prior Audit Findings for each finding.



(Signature)

\_\_\_\_\_  
Superintendent

( Title)

\_\_\_\_\_  
March 12, 2018

(Date)

# Tell City-Troy Township School Corporation

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## CORRECTIVE ACTION PLAN

### **FINDING 2017-001 – SUSPENSION AND DEBARMENT**

Contact Person Responsible for Corrective Action: John A. Scioldo  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period. As a member of the Board of the Exceptional Children's Co-op, the superintendent will ensure that the Exceptional Children's Co-op verifies that vendors are not suspended or debarred from participating in federal assistance programs prior to awarding contracts with them. The superintendent has recently been in contact with the Exceptional Children's Co-op and Sara Harpenau, Financial Manager for the co-op, states she will do vendor verification and have the blank pages (which is what she gets if the vendor has no debarment) for everyone to see during the budget process. This is documented in the corrective action plan submitted by the co-op following their last audit.

Anticipated Completion Date: Immediate



Superintendent

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

April 18, 2018

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

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

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## CORRECTIVE ACTION PLAN

### **FINDING 2017-002 – SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM – SPECIAL TESTS AND PROVISIONS – VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS (NSLP)**

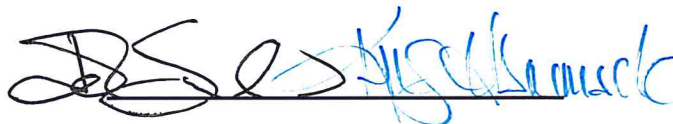
Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period. Specifically, applications for the 2015/16 school year had not been printed due to online access no longer being available. The school corporation was not aware that the applications needed to be retained until being informed during the immediate prior audit period that concluded in July 2017. However, since the prior audit finding, the applications for the 2016/17 school year have been retained and were available for audit review during the audit period ending June 30, 2017.

Going forward, the corporation secretary will be responsible for reviewing the verified free and reduced applications as prepared by the ECA Manager, and at the end of each school year all free and reduced web applications for the given school year will be printed and stored for auditing purposes.

Anticipated Completion Date: Immediate



Superintendent/ECA Manager

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

April 18, 2018

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

# Tell City-Troy Township School Corporation

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## CORRECTIVE ACTION PLAN

### **FINDING 2017-003 – SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM - ELIGIBILITY**

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period.

Applications for the 2015/16 school year had not been printed due to online access no longer being available. The school corporation was not aware that the applications needed to be retained until being informed during the immediate prior audit period that concluded in July 2017. However, since the prior audit finding, the applications for the 2016/17 school year have been retained and were available for audit review during the audit period ending June 30, 2017. Going forward, at the end of each school year, all free and reduced web applications for the given school year will be printed and stored for auditing purposes.

In addition, documentation of dual control will be retained with the applications, verifying that at least two personnel were involved in entering the income guidelines for the respective school year in the Harmony software. Also, 15% of all applications will be randomly selected and verified during the verification process to ensure that Harmony software is correctly calculating the information from the online applications in comparison to DOE income guidelines.

Criteria for applying will be announced and be made available by the ECA Manager via parent nights, on the school web site, at a board meeting, or in the local newspaper.

Anticipated Completion Date: Immediate



Superintendent/ECA Manager

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

April 18, 2018  
\_\_\_\_\_

# Tell City-Troy Township School Corporation

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## CORRECTIVE ACTION PLAN

### **FINDING 2017-004 – CHILD NUTRITION CLUSTER - PROCUREMENT AND SUSPENSION AND DEBARMENT**

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period.

Beginning with the 2017/18 school year with bids accepted in the summer of 2017, the superintendent ensured that contracts for successful bread and dairy vendors were signed, and furthermore, verified that the vendors had not been suspended or debarred prior to accepting the bids in the summer of 2017. This process will continue for school years going forward.

Secondly, the school corporation will seek bids for future years on purchases of food and supply items totaling over \$3,500. However, further direction has been sought by the superintendent from the Indiana Department of Education on the exact parameters involving such purchases. Upon detailed direction being received from DOE, the school will implement accordingly.

Anticipated Completion Date: Immediate, upon receiving response from Department of Education



Superintendent/ECA Manager

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

April 18, 2018

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

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellicity.k12.in.us

*"Home of the Marksmen"*

Administrative Office  
837 17th Street  
Tell City, IN 47586  
Phone: (812) 547-3300  
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## CORRECTIVE ACTION PLAN

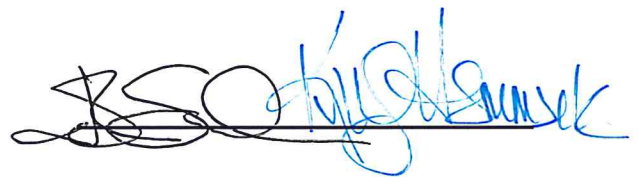
### **FINDING 2017-005 – CHILD NUTRITION CLUSTER - REPORTING**

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period. Per past practice, the ECA Manager solely compiled data for the Verification Report, DOE Annual Financial Report, and claim reimbursements. However, another staff member now reviews the data prior to submission to DOE so that dual controls are now in place. This began with the 2017/18 school year.

Anticipated Completion Date: Immediate



Superintendent/ECA Manager

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

April 18, 2018

\_\_\_\_\_  
(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/>.