

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SOUTHWEST PARKE COMMUNITY
SCHOOL CORPORATION
PARKE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
06/16/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis	19-30
Schedule of Payables and Receivables	31
Schedule of Leases and Debt	32
Schedule of Capital Assets	33
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	36-38
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	40-41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43-53
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings	56-57
Corrective Action Plan	58-62
Other Reports	63

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cheri L. Peacock Leslie Shaffer	07-01-14 to 03-31-18 04-01-18 to 06-30-18
Superintendent of Schools	Dr. Leonard Orr (Vacant) William H. Schad (interim) Dr. Philip T. Harrison	07-01-14 to 04-04-16 04-05-16 to 04-13-16 04-14-16 to 08-31-16 09-01-16 to 06-30-19
President of the School Board	Shawn Brown Leslie Batty	01-01-14 to 12-31-17 01-01-18 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTHWEST PARKE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 14, 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

May 14, 2018



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON 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 SOUTHWEST PARKE COMMUNITY
SCHOOL CORPORATION, PARKE 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 Southwest Parke Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated May 14, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

Southwest Parke Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 14, 2018

(This page intentionally left blank.)

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.

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 1,499,124	\$ 6,912,741	\$ 6,868,056	\$ -	\$ 1,543,809	\$ 7,002,512	\$ 7,226,699	\$ -	\$ 1,319,622
Debt Service	548,467	1,221,114	1,036,185	-	733,396	918,093	1,048,152	-	603,337
Capital Projects	78,512	633,761	639,188	-	73,085	631,611	598,200	-	106,496
School Transportation	15,611	585,722	536,185	-	65,148	597,194	473,422	-	188,920
School Bus Replacement	190,958	200,403	157,700	-	233,661	155,945	213,020	-	176,586
Rainy Day	132,076	-	44,779	-	87,297	16,407	-	-	103,704
Construction	355	-	-	-	355	-	-	-	355
School Lunch	193,552	492,933	508,166	-	178,319	503,464	521,002	-	160,781
Textbook Rental	213,506	75,053	163,822	-	124,737	114,807	255,566	-	(16,022)
Levy Excess	-	151	-	-	151	-	-	-	151
Joint Services and Supply - Area Vocational School	-	-	-	-	-	56,402	50,278	-	6,124
Child Care Program	4,370	33,435	36,304	-	1,501	35,549	38,525	-	(1,475)
Educational License Plates	(171)	75	-	-	(96)	38	-	-	(58)
Early Intervention Grant	3,529	-	-	-	3,529	-	-	-	3,529
College Success Coalition	5,423	-	-	-	5,423	-	3,387	-	2,036
Professional Development (Rosedale)	2,112	1,800	1,375	-	2,537	1,800	940	-	3,397
Rosedale Elementary Grants	1,457	293	-	-	1,750	130	-	-	1,880
Recreational Activities	200	150	-	-	350	-	200	-	150
Cultural Arts	1,197	-	1,197	-	-	-	-	-	-
Welfare Activities	6,371	1,768	3,044	-	5,095	2,551	421	-	7,225
6TH GRADE COLLEGE TRIPS/PCCF	-	-	-	-	-	1,427	-	-	1,427
Donations Account	1,672	1,100	-	-	2,772	2,000	615	-	4,157
Monsanto Garnt	(799)	-	(799)	-	-	2,500	-	-	2,500
Rosedale PCCF Grants	7,640	6,899	4,787	-	9,752	778	2,342	-	8,188
PCCF 4th Grade Grant	3,180	3,110	1,625	-	4,665	3,385	3,420	-	4,630
Rosedale Lilly Grant	880	-	-	-	880	-	-	-	880
Scholarships and Awards	(30)	-	(30)	-	-	-	-	-	-
LLC Grants from Parke County	500	825	624	-	701	1,200	850	-	1,051
PCCF Grants at Riverton Parke	6,161	37	666	-	5,532	4,081	1,619	-	7,994
Construction, Remodeling, and Equipping Buildings	115	1,158	100	-	1,173	87	762	-	498

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
PCCF GRANTS - CORPORATION	-	-	-	-	-	900	1,472	-	(572)
High Ability	(3,620)	-	(3,620)	-	-	-	-	-	-
Teacher Quality Improvement Program	27,987	-	27,987	-	-	-	-	-	-
Tech Prep	-	28,676	-	-	28,676	-	28,676	-	-
Principal Leadership Academy	-	-	-	-	-	29,388	5,000	-	24,388
Computer Consortium/Ed Tech Advance	-	-	-	-	-	92,450	-	-	92,450
Medicaid Reimbursement	15,798	17,236	9,329	-	23,705	4,218	11,780	-	16,143
Secured Schools Safety Grant	(4,127)	-	38,682	-	(42,809)	35,000	18,014	-	(25,823)
Recreational Activities	114	-	-	-	114	-	150	-	(36)
School Technology	2,730	3,669	2,770	-	3,629	4,404	-	-	8,033
Performance Based Awards	-	25,306	24,801	-	505	-	-	-	505
Technology Planning Grant	18,907	8,273	33,828	-	(6,648)	11,880	6,606	-	(1,374)
Senator David Ford Technology	(69,345)	66,418	(2,928)	-	1	-	-	-	1
Title I FY 2012/2013	(4,934)	-	(4,934)	-	-	-	-	-	-
Title I FY 2013/2014	(37,047)	57,667	20,619	-	1	-	-	-	1
TITLE I FY 14-15	-	110,657	226,840	-	(116,183)	180,953	64,766	-	4
TITLE I FY 15-16	-	-	-	-	-	161,795	145,311	-	16,484
Drug Free Schools	2,713	-	464	-	2,249	-	-	-	2,249
Improving Teacher Quality, No Child Left, Title II, Part A	(21,979)	32,596	38,775	-	(28,158)	51,409	124,811	-	(101,560)
ITQ, Enhanced Education Through Technology, Title II, Part D	(437)	23,688	-	-	23,251	(23,251)	-	-	-
Rural Schools and Low Income Program - Pass Through State	(9,204)	20,795	36,486	-	(24,895)	26,604	8,670	-	(6,961)
WWCL Wellness Program	3,334	4,600	4,624	-	3,310	-	1,250	-	2,060
CLASSROOM FEE ACCOUNT	45,319	26,000	17,866	-	53,453	19,222	36,098	-	36,577
CLEARING ACCOUNT	133,673	2,045,474	2,028,248	-	150,899	2,104,796	2,101,966	-	153,729
SKIPJACK TRANSACTIONS	15,395	25,231	12,324	-	28,302	29,794	22,956	-	35,140
Totals	<u>\$ 3,031,245</u>	<u>\$ 12,668,814</u>	<u>\$ 12,515,135</u>	<u>\$ -</u>	<u>\$ 3,184,924</u>	<u>\$ 12,781,523</u>	<u>\$ 13,016,946</u>	<u>\$ -</u>	<u>\$ 2,949,501</u>

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

SOUTHWEST PARKE COMMUNITY 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.

SOUTHWEST PARKE COMMUNITY 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:

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

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

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains ten funds with deficits in cash. Five of the deficits are a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016. The Textbook Rental, Child Care Program, Educational License Plates, PCCF Grants - Corporation, and the Recreational Activities funds all had deficits due to overspending available cash.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Southwest Parke Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2015 and 2016 totaled \$959,500 and \$950,500, respectively.

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.

(This page intentionally left blank.)

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,499,124	\$ 548,467	\$ 78,512	\$ 15,611	\$ 190,958	\$ 132,076	\$ 355	\$ 193,552	\$ 213,506	\$ -
Receipts:										
Local sources	27,015	1,216,286	633,518	585,442	200,403	-	-	137,295	29,163	-
Intermediate sources	576	-	-	-	-	-	-	-	-	-
State sources	6,830,475	-	-	-	-	-	-	-	43,649	-
Federal sources	-	-	-	-	-	-	-	355,638	-	-
Other receipts	54,675	4,828	243	280	-	-	-	-	2,241	151
Total receipts	6,912,741	1,221,114	633,761	585,722	200,403	-	-	492,933	75,053	151
Disbursements:										
Instruction	4,911,253	-	-	-	-	-	-	1,280	-	-
Support services	1,884,287	-	370,999	536,185	157,700	-	-	138	163,822	-
Noninstructional services	72,516	-	-	-	-	-	-	506,748	-	-
Facilities acquisition and construction	-	-	268,189	-	-	44,779	-	-	-	-
Debt service	-	1,036,185	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,868,056	1,036,185	639,188	536,185	157,700	44,779	-	508,166	163,822	-
Excess (deficiency) of receipts over disbursements	44,685	184,929	(5,427)	49,537	42,703	(44,779)	-	(15,233)	(88,769)	151
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	44,685	184,929	(5,427)	49,537	42,703	(44,779)	-	(15,233)	(88,769)	151
Cash and investments - ending	\$ 1,543,809	\$ 733,396	\$ 73,085	\$ 65,148	\$ 233,661	\$ 87,297	\$ 355	\$ 178,319	\$ 124,737	\$ 151

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

	Joint Services and Supply - Area Vocational School	Child Care Program	Educational License Plates	Early Intervention Grant	College Success Coalition	Professional Development (Rosedale)	Rosedale Elementary Grants	Recreational Activities	Cultural Arts
Cash and investments - beginning	\$ -	\$ 4,370	\$ (171)	\$ 3,529	\$ 5,423	\$ 2,112	\$ 1,457	\$ 200	\$ 1,197
Receipts:									
Local sources	-	33,435	-	-	-	-	-	-	-
Intermediate sources	-	-	75	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,800	293	150	-
Total receipts	-	33,435	75	-	-	1,800	293	150	-
Disbursements:									
Instruction	-	36,304	-	-	-	1,375	-	-	240
Support services	-	-	-	-	-	-	-	-	957
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	36,304	-	-	-	1,375	-	-	1,197
Excess (deficiency) of receipts over disbursements	-	(2,869)	75	-	-	425	293	150	(1,197)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,869)	75	-	-	425	293	150	(1,197)
Cash and investments - ending	\$ -	\$ 1,501	\$ (96)	\$ 3,529	\$ 5,423	\$ 2,537	\$ 1,750	\$ 350	\$ -

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

	Welfare Activities	6TH GRADE COLLEGE TRIPS/PCCF	Donations Account	Monsanto Grant	Rosedale PCCF Grants	PCCF 4th Grade Grant	Rosedale Lilly Grant	Scholarships and Awards	LLC Grants from Parke County
Cash and investments - beginning	\$ 6,371	\$ -	\$ 1,672	\$ (799)	\$ 7,640	\$ 3,180	\$ 880	\$ (30)	\$ 500
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	1,768	-	1,100	-	6,899	3,110	-	-	825
Total receipts	1,768	-	1,100	-	6,899	3,110	-	-	825
Disbursements:									
Instruction	3,044	-	-	-	4,787	1,625	-	(30)	624
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	(799)	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	3,044	-	-	(799)	4,787	1,625	-	(30)	624
Excess (deficiency) of receipts over disbursements	(1,276)	-	1,100	799	2,112	1,485	-	30	201
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,276)	-	1,100	799	2,112	1,485	-	30	201
Cash and investments - ending	\$ 5,095	\$ -	\$ 2,772	\$ -	\$ 9,752	\$ 4,665	\$ 880	\$ -	\$ 701

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

	PCCF Grants at Riverton Parke	Construction, Remodeling, and Equipping Buildings	PCCF GRANTS - CORPORATION	High Ability	Teacher Quality Improvement Program	Tech Prep	Principal Leadership Academy	Computer Consortium/ Ed Tech Advance	Medicaid Reimbursement
Cash and investments - beginning	\$ 6,161	\$ 115	\$ -	\$ (3,620)	\$ 27,987	\$ -	\$ -	\$ -	\$ 15,798
Receipts:									
Local sources	37	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	28,676	-	-	17,236
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	1,158	-	-	-	-	-	-	-
Total receipts	37	1,158	-	-	-	28,676	-	-	17,236
Disbursements:									
Instruction	666	100	-	(3,620)	26,187	-	-	-	-
Support services	-	-	-	-	1,800	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	9,329
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	666	100	-	(3,620)	27,987	-	-	-	9,329
Excess (deficiency) of receipts over disbursements	(629)	1,058	-	3,620	(27,987)	28,676	-	-	7,907
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(629)	1,058	-	3,620	(27,987)	28,676	-	-	7,907
Cash and investments - ending	\$ 5,532	\$ 1,173	\$ -	\$ -	\$ -	\$ 28,676	\$ -	\$ -	\$ 23,705

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

	Secured Schools Safety Grant	Recreational Activities	School Technology	Performance Based Awards	Technology Planning Grant	Senator David Ford Technology	Title I FY 2012/2013	Title I FY 2013/2014	TITLE I FY 14-15
Cash and investments - beginning	\$ (4,127)	\$ 114	\$ 2,730	\$ -	\$ 18,907	\$ (69,345)	\$ (4,934)	\$ (37,047)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	3,669	25,306	-	66,418	-	-	-
Federal sources	-	-	-	-	-	-	-	57,667	110,647
Other receipts	-	-	-	-	8,273	-	-	-	10
Total receipts	-	-	3,669	25,306	8,273	66,418	-	57,667	110,657
Disbursements:									
Instruction	-	-	-	24,801	33,828	116	(4,934)	20,619	226,690
Support services	38,682	-	2,770	-	-	(3,044)	-	-	150
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	38,682	-	2,770	24,801	33,828	(2,928)	(4,934)	20,619	226,840
Excess (deficiency) of receipts over disbursements	(38,682)	-	899	505	(25,555)	69,346	4,934	37,048	(116,183)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(38,682)	-	899	505	(25,555)	69,346	4,934	37,048	(116,183)
Cash and investments - ending	\$ (42,809)	\$ 114	\$ 3,629	\$ 505	\$ (6,648)	\$ 1	\$ -	\$ 1	\$ (116,183)

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

	TITLE I FY 15-16	Drug Free Schools	Improving Teacher Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools and Low Income Program - Pass Through State	WWCL Wellness Program	CLASSROOM FEE ACCOUNT	CLEARING ACCOUNT	SKIPJACK TRANSACTIONS	Totals
Cash and investments - beginning	\$ -	\$ 2,713	\$ (21,979)	\$ (437)	\$ (9,204)	\$ 3,334	\$ 45,319	\$ 133,673	\$ 15,395	\$ 3,031,245
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,862,594
Intermediate sources	-	-	-	-	-	-	-	-	-	651
State sources	-	-	-	-	-	-	-	-	-	7,015,429
Federal sources	-	-	32,596	23,688	20,795	-	-	-	-	601,031
Other receipts	-	-	-	-	-	4,600	26,000	2,045,474	25,231	2,189,109
Total receipts	-	-	32,596	23,688	20,795	4,600	26,000	2,045,474	25,231	12,668,814
Disbursements:										
Instruction	-	464	38,775	-	-	-	-	-	-	5,324,194
Support services	-	-	-	-	36,486	-	-	-	-	3,190,932
Noninstructional services	-	-	-	-	-	-	-	-	-	588,593
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	312,169
Debt service	-	-	-	-	-	-	-	-	-	1,036,185
Nonprogrammed charges	-	-	-	-	-	4,624	17,866	2,028,248	12,324	2,063,062
Total disbursements	-	464	38,775	-	36,486	4,624	17,866	2,028,248	12,324	12,515,135
Excess (deficiency) of receipts over disbursements	-	(464)	(6,179)	23,688	(15,691)	(24)	8,134	17,226	12,907	153,679
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(464)	(6,179)	23,688	(15,691)	(24)	8,134	17,226	12,907	153,679
Cash and investments - ending	\$ -	\$ 2,249	\$ (28,158)	\$ 23,251	\$ (24,895)	\$ 3,310	\$ 53,453	\$ 150,899	\$ 28,302	\$ 3,184,924

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,543,809	\$ 733,396	\$ 73,085	\$ 65,148	\$ 233,661	\$ 87,297	\$ 355	\$ 178,319	\$ 124,737	\$ 151
Receipts:										
Local sources	79,499	918,093	629,860	597,194	155,945	16,407	-	136,616	44,988	-
Intermediate sources	576	-	-	-	-	-	-	-	-	-
State sources	6,849,473	-	-	-	-	-	-	-	69,819	-
Federal sources	-	-	-	-	-	-	-	366,848	-	-
Other receipts	72,964	-	1,751	-	-	-	-	-	-	-
Total receipts	7,002,512	918,093	631,611	597,194	155,945	16,407	-	503,464	114,807	-
Disbursements:										
Instruction	5,200,172	-	-	-	-	-	-	1,163	-	-
Support services	1,935,066	-	365,621	473,422	213,020	-	-	-	255,566	-
Noninstructional services	91,461	-	-	-	-	-	-	519,839	-	-
Facilities acquisition and construction	-	-	232,579	-	-	-	-	-	-	-
Debt service	-	1,048,152	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,226,699	1,048,152	598,200	473,422	213,020	-	-	521,002	255,566	-
Excess (deficiency) of receipts over disbursements	(224,187)	(130,059)	33,411	123,772	(57,075)	16,407	-	(17,538)	(140,759)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(224,187)	(130,059)	33,411	123,772	(57,075)	16,407	-	(17,538)	(140,759)	-
Cash and investments - ending	\$ 1,319,622	\$ 603,337	\$ 106,496	\$ 188,920	\$ 176,586	\$ 103,704	\$ 355	\$ 160,781	\$ (16,022)	\$ 151

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

	Joint Services and Supply - Area Vocational School	Child Care Program	Educational License Plates	Early Intervention Grant	College Success Coalition	Professional Development (Rosedale)	Rosedale Elementary Grants	Recreational Activities	Cultural Arts	Welfare Activities
Cash and investments - beginning	\$ -	\$ 1,501	\$ (96)	\$ 3,529	\$ 5,423	\$ 2,537	\$ 1,750	\$ 350	\$ -	\$ 5,095
Receipts:										
Local sources	56,402	35,549	-	-	-	-	-	-	-	-
Intermediate sources	-	-	38	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,800	130	-	-	2,551
Total receipts	56,402	35,549	38	-	-	1,800	130	-	-	2,551
Disbursements:										
Instruction	50,278	38,525	-	-	3,387	940	-	200	-	421
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	50,278	38,525	-	-	3,387	940	-	200	-	421
Excess (deficiency) of receipts over disbursements	6,124	(2,976)	38	-	(3,387)	860	130	(200)	-	2,130
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,124	(2,976)	38	-	(3,387)	860	130	(200)	-	2,130
Cash and investments - ending	\$ 6,124	\$ (1,475)	\$ (58)	\$ 3,529	\$ 2,036	\$ 3,397	\$ 1,880	\$ 150	\$ -	\$ 7,225

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

	6TH GRADE COLLEGE TRIPS/PCCF	Donations Account	Monsanto Grant	Rosedale PCCF Grants	PCCF 4th Grade Grant	Rosedale Lilly Grant	Scholarships and Awards	LLC Grants from Parke County	PCCF Grants at Riverton Parke
Cash and investments - beginning	\$ -	\$ 2,772	\$ -	\$ 9,752	\$ 4,665	\$ 880	\$ -	\$ 701	\$ 5,532
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,081
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	1,427	2,000	2,500	778	3,385	-	-	1,200	-
Total receipts	1,427	2,000	2,500	778	3,385	-	-	1,200	4,081
Disbursements:									
Instruction	-	615	-	2,342	3,420	-	-	850	1,619
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	615	-	2,342	3,420	-	-	850	1,619
Excess (deficiency) of receipts over disbursements	1,427	1,385	2,500	(1,564)	(35)	-	-	350	2,462
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,427	1,385	2,500	(1,564)	(35)	-	-	350	2,462
Cash and investments - ending	\$ 1,427	\$ 4,157	\$ 2,500	\$ 8,188	\$ 4,630	\$ 880	\$ -	\$ 1,051	\$ 7,994

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

	Construction, Remodeling, and Equipping Buildings	PCCF GRANTS - CORPORATION	High Ability	Teacher Quality Improvement Program	Tech Prep	Principal Leadership Academy	Computer Consortium/ Ed Tech Advance	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 1,173	\$ -	\$ -	\$ -	\$ 28,676	\$ -	\$ -	\$ 23,705	\$ (42,809)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	29,388	92,450	4,218	35,000
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	87	900	-	-	-	-	-	-	-
Total receipts	87	900	-	-	-	29,388	92,450	4,218	35,000
Disbursements:									
Instruction	762	-	-	-	26,876	5,000	-	-	-
Support services	-	1,472	-	-	1,800	-	-	-	18,014
Noninstructional services	-	-	-	-	-	-	-	11,780	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	762	1,472	-	-	28,676	5,000	-	11,780	18,014
Excess (deficiency) of receipts over disbursements	(675)	(572)	-	-	(28,676)	24,388	92,450	(7,562)	16,986
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(675)	(572)	-	-	(28,676)	24,388	92,450	(7,562)	16,986
Cash and investments - ending	\$ 498	\$ (572)	\$ -	\$ -	\$ -	\$ 24,388	\$ 92,450	\$ 16,143	\$ (25,823)

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

	Recreational Activities	School Technology	Performance Based Awards	Technology Planning Grant	Senator David Ford Technology	Title I FY 2012/2013	Title I FY 2013/2014	TITLE I FY 14-15	TITLE I FY 15-16
Cash and investments - beginning	\$ 114	\$ 3,629	\$ 505	\$ (6,648)	\$ 1	\$ -	\$ 1	\$ (116,183)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	4,404	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	180,953	161,795
Other receipts	-	-	-	11,880	-	-	-	-	-
Total receipts	-	4,404	-	11,880	-	-	-	180,953	161,795
Disbursements:									
Instruction	150	-	-	6,606	-	-	-	55,230	145,011
Support services	-	-	-	-	-	-	-	9,536	300
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	150	-	-	6,606	-	-	-	64,766	145,311
Excess (deficiency) of receipts over disbursements	(150)	4,404	-	5,274	-	-	-	116,187	16,484
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(150)	4,404	-	5,274	-	-	-	116,187	16,484
Cash and investments - ending	\$ (36)	\$ 8,033	\$ 505	\$ (1,374)	\$ 1	\$ -	\$ 1	\$ 4	\$ 16,484

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

	Drug Free Schools	Improving Teacher Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools and Low Income Program - Pass Through State	WWCL Wellness Program	CLASSROOM FEE ACCOUNT	CLEARING ACCOUNT	SKIPJACK TRANSACTIONS	Totals
Cash and investments - beginning	\$ 2,249	\$ (28,158)	\$ 23,251	\$ (24,895)	\$ 3,310	\$ 53,453	\$ 150,899	\$ 28,302	\$ 3,184,924
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,674,634
Intermediate sources	-	-	-	-	-	-	-	-	614
State sources	-	-	-	-	-	-	-	-	7,084,752
Federal sources	-	51,409	(23,251)	26,604	-	19,222	2,104,796	29,794	2,918,170
Other receipts	-	-	-	-	-	-	-	-	103,353
Total receipts	-	51,409	(23,251)	26,604	-	19,222	2,104,796	29,794	12,781,523
Disbursements:									
Instruction	-	124,811	-	-	-	-	-	-	5,668,378
Support services	-	-	-	8,670	-	-	-	-	3,282,487
Noninstructional services	-	-	-	-	-	-	-	-	623,080
Facilities acquisition and construction	-	-	-	-	-	-	-	-	232,579
Debt service	-	-	-	-	-	-	-	-	1,048,152
Nonprogrammed charges	-	-	-	-	1,250	36,098	2,101,966	22,956	2,162,270
Total disbursements	-	124,811	-	8,670	1,250	36,098	2,101,966	22,956	13,016,946
Excess (deficiency) of receipts over disbursements	-	(73,402)	(23,251)	17,934	(1,250)	(16,876)	2,830	6,838	(235,423)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(73,402)	(23,251)	17,934	(1,250)	(16,876)	2,830	6,838	(235,423)
Cash and investments - ending	\$ 2,249	\$ (101,560)	\$ -	\$ (6,961)	\$ 2,060	\$ 36,577	\$ 153,729	\$ 35,140	\$ 2,949,501

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 498,550</u>	<u>\$ -</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Brian Porter	Vocational/Wellness Center	\$ 8,000	7/1/2014	12/14/2023
Southwest Parke Community School Building Corporation	lease rental	<u>942,500</u>	7/1/2012	12/31/2025
Total governmental activities		<u>950,500</u>		
Total of annual lease payments		<u>\$ 950,500</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Notes and loans payable	Common School Technology Loan #A1705		\$ 20,116	\$ 14,439
Notes and loans payable	QSCB Loan		282,000	32,131
Notes and loans payable	Common School Technology Loan #A2795		<u>92,450</u>	<u>19,408</u>
Total governmental activities			<u>394,566</u>	<u>65,978</u>
Totals			<u>\$ 394,566</u>	<u>\$ 65,978</u>

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 2,152,500
Buildings	21,407,299
Improvements other than buildings	4,839,399
Machinery, equipment, and vehicles	<u>5,680,384</u>
Total governmental activities	<u>34,079,582</u>
Total capital assets	<u><u>\$ 34,079,582</u></u>

(This page intentionally left blank.)

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 SOUTHWEST PARKE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in item 2016-003 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 Title I Grants to Local Educational Agencies regarding Allowable Costs/Cost Principles. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Title I Grants to Local Educational Agencies regarding Allowable Costs/Cost Principles, described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

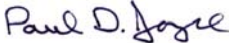
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

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

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

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

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


Paul D. Joyce, CPA
State Examiner

May 14, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2015	\$ -	\$ 88,904	\$ -	\$ -
School Breakfast Program	Indiana Department of Education	10.553	FY 2016	-	-	-	97,929
Total - School Breakfast Program				-	88,904	-	97,929
National School Lunch Program							
Child Nutrition Program	Indiana Department of Education	10.555	FY 2015	-	263,760	-	-
Child Nutrition Program	Indiana Department of Education	10.555	FY 2016	-	-	-	265,401
School Lunch Commodities	Indiana Department of Education	10.555	FY 2015	-	29,022	-	-
School Lunch Commodities	Indiana Department of Education	10.555	FY 2016	-	-	-	29,843
Total - National School Lunch Program				-	292,782	-	295,244
Total - Child Nutrition Cluster				-	381,686	-	393,173
Total - Department of Agriculture				-	381,686	-	393,173
Department of Education							
Title I Grants to Local Educational Agencies							
Title I SY 2013-14	Indiana Department of Education	84.010	#14-6260	-	57,667	-	-
Title I SY 2014-15		84.010	#15-6260	-	110,647	-	-
Title I SY 2014-15		84.010	#15-6260	-	-	-	180,953
Title I SY 2015-16		84.010	#16-6260	-	-	-	107,331
Total - Title I Grants to Local Educational Agencies				-	168,314	-	288,284
Special Education Cluster (IDEA)							
Special Education Grants to States							
Special Education	Indiana Department of Education	84.027	14213-008-PN01	-	19,186	-	-
Special Education		84.027	14214-008-PN01	-	48,586	-	-
Special Education		84.027	14215-008-PN01	-	126,968	-	-
Special Education		84.027	14214-008-PN01	-	-	-	11,719
Special Education		84.027	14215-008-PN01	-	-	-	89,329
Special Education		84.027	14216-006-PN01	-	-	-	159,885
FY 2014 Federal Technical Assistance Grant		84.027	99999-008-PN01	-	3,392	-	-
FY 2014 Federal Technical Assistance		84.027	99999-008-PN01	-	-	-	1,091
Total - Special Education Grants to States				-	198,132	-	262,024

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Special Education Preschool Grants	Indiana Department of Education						
FY 2013 Federal Part B 619		84.173	45713-008-PN01	-	849	-	-
FY 2014 Federal Part B 619		84.173	45714-008-PN01	-	2,702	-	315
FY 2015 Federal Part B 619		84.173	45715-008-PN01	-	8,286	-	3,790
FY 2016 Federal Part B 619		84.173	45716-006-PN01	-	-	-	8,904
Total - Special Education Preschool Grants				-	11,837	-	13,009
Total - Special Education Cluster (IDEA)				-	209,969	-	275,033
Rural Education	Indiana Department of Education						
Rural & Low Income		84.358	7000S58B120014-11A	-	20,795	-	-
Rural & Low Income		84.358	7000S58B120014-11A	-	-	-	26,604
Total - Rural Education				-	20,795	-	26,604
Improving Teacher Quality State Grants	Indiana Department of Education						
Title II - Part A		84.367	S36A A120013	-	56,284	-	-
Title II - Part A		84.367	S36A A120013	-	-	-	82,622
Total - Improving Teacher Quality State Grants				-	56,284	-	82,622
Total - Department of Education				-	455,362	-	672,543
Total federal awards expended				\$ -	\$ 837,048	\$ -	\$ 1,065,716

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

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

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

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

Note 2. *Summary of Significant Accounting Policies*

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

Note 3. *Covered Bridge Special Education District*

The School Corporation is a member of the Covered Bridge Special Education District. (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.

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified for Title I Grants to Local Educational Agencies; Unmodified for the other major programs
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

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

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

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

Section II - Financial Statement Findings

FINDING 2016-001

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

SOUTHWEST PARKE COMMUNITY 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 2014-001.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Context

The SEFA contained the following errors: the program title was incorrect for National School Lunch Program and three grants were omitted. In total, the SEFA was understated by \$457,520 for the audit period.

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway), which was the source of the School Corporation's SEFA. One employee prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

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

Criteria

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

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

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

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

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

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

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

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

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

Cause

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

Effect

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

Recommendation

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): #14-6260, #15-6260, #16-6260
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 2014-003.

Condition

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

Management of the School Corporation had not established an effective internal control system, related to the grant agreement and the Reporting compliance requirement. The School Corporation had separated incompatible activities within the managing of the requirements for the Title I federal award programs, but the oversight was not documented. The reimbursement requests and other unit reports were being prepared by the Treasurer and reviewed by the Program Administrator before being sent to the Indiana Department of Education. This oversight by two different individuals could not be verified, as no audit evidence was present to verify this procedure.

Context

This was a systemic issue, as it occurred throughout the entirety of the audit period.

Criteria

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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 program.

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.

FINDING 2016-003

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): #14-6260, #15-6260, #16-6260

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

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

Condition

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that appropriate certifications for time worked on Title I were in compliance with program requirements. Neither Semi-Annual Certifications, nor adequate payroll documentation was available for audit to support payroll for Title I employees. Some employees worked on multiple activities, which could not be verified due to the lack of proper supporting documentation maintained.

Context

This was a systemic issue during the audit period. The lack of proper supporting documentation of time worked on the Title I program prevented the ability to determine whether the School Corporation was in compliance with the Allowable Costs/Cost Principles compliance requirement for the entire audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

OMB Circular A-87, Attachment B, section 8h states in part:

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

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

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

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

2 CFR 200.430(i) states in part:

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

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish effective internal controls that would have ensured that Semi-Annual Certifications and adequate payroll documentation was available for audit prevented the determination of the School Corporation's compliance with the Allowable Costs/Cost Principles compliance requirement.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management follow compliance guidelines and establish controls related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2016-004

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): #14-6260, #15-6260, #16-6260
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that reasons for mobility reporting were supported by appropriate documentation.

Context

The lack of controls and noncompliance was a systemic issue, which occurred throughout the audit period. Of the six students tested, none had the required documentation to support reasons for mobility reporting.

Criteria

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 200.19(b) states in part:

"*High schools*—(1) *Graduation rate*. Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . ."

Cause

Management of the School Corporation had not developed a system of internal control that would have ensured compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement could have resulted in the loss of federal funds to the School Corporation.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management follow compliance guidelines and establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Views of Responsible Officials

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

FINDING 2016-005

Subject: Special Education Cluster (IDEA) - Level of Effort

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-008-PN01, 14214-008-PN01, 14215-008-PN01, 14216-006-PN01, 99999-08-PN01, 45713-008-PN01, 45714-008-PN01, 45715-008-PN01, 45716-006-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that Maintenance of Effort (MOE) calculations were performed correctly.

Context

This was a systemic issue occurring throughout the audit period.

Criteria

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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 Matching, Level of Effort, Earmarking 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 internal controls related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement listed above.

Views of Responsible Officials

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

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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

Southwest Parke Community School Corporation

4851 South Coxville Road
Montezuma, IN 47862

Phone: 765-569-2073 Fax: 765-569-0309

Philip T. Harrison, Ph.D.
Superintendent of Schools

Leslie A. Shaffer
Treasurer

Cheri L. Peacock
Deputy Treas/Corp Secretary

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Original Assigned SBA Audit Report Number: 45142
Fiscal year in which the finding initially occurred: FY 12/13 and FY 13/14
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Leslie A. Shaffer
Contact Phone Number: 765-569-2073 ext 2001

Status of Audit Finding: The Corporation Treasurer and Deputy Treasurer make every effort to ensure the corporation's fund balances reconcile with the June 30 and December 31 Form 9's.

The current Treasurer is making every effort to ensure the SEFA report is correct. All award names and amounts will be listed correctly.

FINDING 2014-002

Original Assigned SBA Audit Report Number: 45142
Fiscal year in which the finding initially occurred: FY 12/13 and FY 13/14
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education/US Department of Agriculture
Contact Person Responsible for Corrective Action: Jonella McClintock
Contact Phone Number: 765-569-2073 ext 2006

Status of Audit Finding: If we use a vendor recommended by Hospital Purchasing Service, we ask for documentation verifying the vendor has not suspended or disbarred. If we anticipate spending over \$25,000 with a vendor, we will check their status online and place documentation of said effort will be on file.

FINDING 2014-003

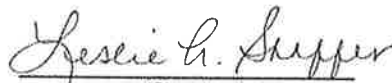
Original Assigned SBA Audit Report Number: 45142
Fiscal year in which the finding initially occurred: FY 12/13 and FY 13/14
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education/US Department of Education
Contact Person Responsible for Corrective Action: Leslie A. Shaffer
Contact Phone Number: 765-569-2073 ext 2001

Status of Audit Finding: An attempt was made to use a sign-off form for reports but was not used with consistency. Currently procedures are in place where all Title I reports are signed off by the Treasurer, Superintendent and/or Title I Director.

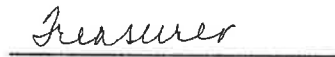
FINDING 2014-004

Original Assigned SBA Audit Report Number: 45142
Fiscal year in which the finding initially occurred: FY 12/13 and FY 13/14
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education/US Department of Education
Contact Person Responsible for Corrective Action: Leslie A. Shaffer
Contact Phone Number: 765-669-2073 ext 2001

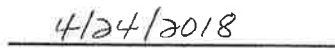
Status of Audit Finding: Corrective measures were taken by Covered Bridge Special Education District to ensure reimbursement requests are based on actual expenditures and are viewed/approved prior to submission.



(Signature)



(Title)



(Date)

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

Southwest Parke Community School Corporation

4851 South Coxville Road

Montezuma, IN 47862

Phone: 765-569-2073

Fax: 765-569-0309

Philip T. Harrison, Ph.D.
Superintendent of Schools

Leslie A. Shaffer
Treasurer

Cheri L. Peacock
Deputy Treas/Corp Secretary

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Leslie A. Shaffer, Corporation Treasurer
Contact Phone Number: 765-569-2073 ext 2001

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: No internal controls were in place regarding the SEFA report and this allowed errors in our reporting. Controls will be put into place where the report will be prepared by the Treasurer, overlooked by either the Deputy Treasurer and/or the Superintendent before submission. This would add an oversight review to our controls.

Anticipated Completion Date: We will begin this process immediately. 4/25/2018

Leslie A. Shaffer
(Signature)

Treasurer
(Title)

4/26/2018
(Date)

Southwest Parke Community School Corporation

4851 South Coxville Road

Montezuma, IN 47862

Phone: 765-569-2073

Fax: 765-569-0309

Philip T. Harrison, Ph.D.
Superintendent of Schools

Leslie A. Shaffer
Treasurer

Cheri L. Peacock
Deputy Treas/Corp Secretary

CORRECTIVE ACTION PLAN


FINDING 2016-002

Contact Person Responsible for Corrective Action: Leslie A. Shaffer, Corporation Treasurer
Contact Phone Number: 765-569-2073 ext 2001

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: The Corporation Treasurer will prepare Title I reimbursement reports and have them reviewed/signed off by the Title I Director before submission. A complete detail of the expenditures will be given and will coincide with the amount of the reimbursement for reimbursement requests. In addition, the Title I Director will be made aware of Title I quarterly reports and will review/sign off before the Corporation Treasurer submits them.

Anticipated Completion Date: We have implemented this process as of April 1, 2018.



(Signature)

Treasurer

(Title)

4/26/18

(Date)

Southwest Parke Community School Corporation

4851 South Coxville Road

Montezuma, IN 47862

Phone: 765-569-2073

Fax: 765-569-0309

Philip T. Harrison, Ph.D.
Superintendent of Schools

Leslie A. Shaffer
Treasurer

Cheri L. Peacock
Deputy Treas/Corp Secretary

CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Leslie A. Shaffer, Corporation Treasurer
Contact Phone Number: 765-569-2073 ext 2001

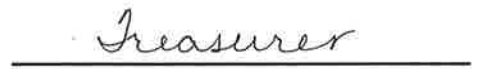
Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: We have implemented the procedure of making sure Semi-Annual Certifications are correctly completed for each period. They will be verified and signed off by the Title I Director, the Corporation Treasurer and the Superintendent of Schools.

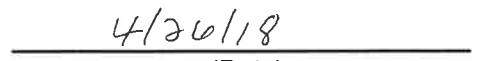
Anticipated Completion Date: This process was implemented effective the period following the current audit period.



(Signature)



(Title)



(Date)

Southwest Parke Community School Corporation

4851 South Coxville Road
Montezuma, IN 47862

Phone: 765-569-2073 Fax: 765-569-0309

Philip T. Harrison, Ph.D.
Superintendent of Schools

Leslie A. Shaffer
Treasurer

Cheri L. Peacock
Deputy Treas/Corp Secretary

CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Person Responsible for Corrective Action: Leslie A. Shaffer, Corporation Treasurer
Contact Phone Number: 765-569-2073 ext 2001

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: Guidance officials will maintain proper documentation for mobility student reporting. The DOE's guidelines will be referred to and followed as required.

Anticipated Completion Date: This process will begin 4/26/2018.

Leslie A. Shaffer
(Signature)

Treasurer
(Title)

4/26/2018
(Date)

Southwest Parke Community School Corporation

4851 South Coxville Road

Montezuma, IN 47862

Phone: 765-569-2073

Fax: 765-569-0309

Philip T. Harrison, Ph.D.
Superintendent of Schools

Leslie A. Shaffer
Treasurer

Cheri L. Peacock
Deputy Treas/Corp Secretary

CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Person Responsible for Corrective Action: Leslie A. Shaffer, Corporation Treasurer
Contact Phone Number: 765-569-2073 ext 2001

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: All Maintenance of Effort reports will be reviewed signed off by knowledgeable corporation staff (other than submitter) before it is submitted to the State.

Anticipated Completion Date: This process will begin 4/26/2018.

Leslie A. Shaffer

(Signature)

Treasurer

(Title)

4/26/2018

(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/>.