

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CRAWFORD COUNTY COMMUNITY
SCHOOL CORPORATION
CRAWFORD COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
06/28/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tina Key	01-01-14 to 12-31-18
Superintendent of Schools	(Vacant)	07-01-14 to 08-29-14
	Dr. Elmer Shelby (interim)	08-30-14 to 12-31-14
	W. Garry DeRossett	01-01-15 to 01-05-18
	(Vacant)	01-06-18 to 01-07-18
	Michael Key (interim)	01-08-18 to 06-30-18
President of the School Board	Dennis Talley	01-01-14 to 12-31-14
	Traci Kerns	01-01-15 to 12-31-16
	Lance Stroud	01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Crawford County 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 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 June 7, 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

June 7, 2018



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

TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY
SCHOOL CORPORATION, CRAWFORD 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 Crawford County 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 June 7, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-003 to be a significant deficiency.

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 items 2016-001 and 2016-002.

Crawford County 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

June 7, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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CRAWFORD COUNTY 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	\$ 566,260	\$ 10,825,177	\$ 11,066,613	\$ 1,091	\$ 325,915	\$ 10,293,885	\$ 10,516,755	\$ (7,037)	\$ 96,008
Debt Service	1,088,899	1,412,031	1,499,544	39,126	1,040,512	1,538,173	1,486,114	(117,674)	974,897
Retirement/Severance Bond Debt Service	225,116	457,123	437,029	(37,894)	207,316	469,677	409,499	(37,712)	229,782
Capital Projects	237,173	951,945	925,689	57,616	321,045	945,734	1,005,856	75,044	335,967
School Transportation	721,710	1,200,524	1,415,692	74,743	581,285	1,139,231	1,239,323	87,379	568,572
School Bus Replacement	191,718	-	108,189	3,746	87,275	-	18,680	4,165	72,760
Rainy Day	458,112	12,307	-	(38,155)	432,264	32,856	-	-	465,120
School Lunch	279,337	976,505	972,797	-	283,045	954,194	952,104	-	285,135
Textbook Rental	249,662	165,956	279,259	-	136,359	146,379	93,218	-	189,520
Levy Excess	194	-	-	-	194	-	-	-	194
Educational License Plates	38	-	-	-	38	-	-	-	38
SAFE School Haven 13/14	3,411	-	3,411	-	-	-	-	-	-
SAFE School Haven 14/15	-	7,650	7,650	-	-	2,500	2,500	-	-
SAFE School Haven 15/16	-	-	-	-	-	11,904	13,509	-	(1,605)
Dennie Oxley Memorial Fund	750	750	750	-	750	750	750	-	750
Pam Goldman Special Needs Fund	395	-	-	-	395	-	-	-	395
Larry Eastridge Memorial Fund	2,125	1,820	-	-	3,945	1,225	-	-	5,170
2013/2014 IAC Arts Grant Patoka	(285)	285	-	-	-	-	-	-	-
County Riverboat Support	-	330,992	169,355	(121,622)	40,015	66,036	61,027	-	45,024
Insurance (Claims for Losses)	410	-	-	-	410	-	-	-	410
Special Funds	340	-	30	-	310	-	-	-	310
C.A.R.E.S.	7,355	179,938	259,049	-	(71,756)	226,638	155,106	-	(224)
13/14 High Ability	8,164	-	8,164	-	-	-	-	-	-
14/15 High Ability	-	30,426	27,518	-	2,908	-	2,908	-	-
15/16 High Ability	-	-	-	-	-	31,687	26,297	-	5,390
School Technology	41,622	44,021	25,225	-	60,418	40,459	54,633	-	46,244
13/14 Secured School Safety	(32,302)	16,147	5,354	16,155	(5,354)	5,354	-	-	-
14/15 Secured School Safety	-	22,000	44,000	22,000	-	-	-	-	-
Elearning Innovation Planning Grant	1,285	-	-	-	1,285	-	1,285	-	-
Excess PTRC Distributions	11,969	-	-	(11,969)	-	-	-	-	-
Title I FY14	(12,227)	72,723	60,496	-	-	-	-	-	-
Title I FY15	-	410,376	433,733	-	(23,357)	83,321	59,964	-	-
Title I FY16	-	-	-	-	-	466,308	518,860	-	(52,552)
14/15 21st Century Boys and Girls	(27,888)	329,326	301,438	-	-	-	-	-	-
15/16 21st Century Boys and Girls	-	-	19,720	-	(19,720)	257,363	258,880	-	(21,237)
16/17 21st Century Boys and Girls	-	-	-	-	-	-	15,404	-	(15,404)
13/14 21st Century (PACK)	(11,815)	11,815	-	-	-	-	-	-	-
Improving Teacher Quality NCLB, Title II, Part A 13	-	49,606	56,065	-	(6,459)	52,848	46,389	-	-
Improving Teacher Quality NCLB, Title II, Part A 14	-	-	-	-	-	96,305	112,907	-	(16,602)
Rural Schools & Low Income Program 14/15	-	30,472	30,472	-	-	-	-	-	-
Rural Schools & Low Income Program 15/16	-	32,138	32,138	-	-	-	-	-	-
Rural Schools & Low Income Program 16/17	-	-	-	-	-	-	28,726	-	(28,726)
Prepaid Food	8,097	329,986	328,071	-	10,012	305,313	305,575	-	9,750
Payroll Withholdings	82,459	2,543,175	2,584,071	(1,091)	40,472	2,462,579	2,440,894	-	62,157
Employee Benefit Trust	3,142,426	2,266,224	2,983,691	-	2,424,959	2,031,642	2,378,585	-	2,078,016
Totals	\$ 7,244,510	\$ 22,711,438	\$ 24,085,213	\$ 3,746	\$ 5,874,481	\$ 21,662,361	\$ 22,205,748	\$ 4,165	\$ 5,335,259

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

CRAWFORD COUNTY 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.

CRAWFORD COUNTY 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.

Temporary loans. Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, funds held temporarily for an authorized recipient, and self-insurance payments.

F. Other Financing Sources and Uses

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

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:

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

Note 8. Restatements

For the year ended June 30, 2015, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of June 30, 2014	Prior Period Adjustment	Balance as of July 1, 2014
Employee Benefit Trust	\$ 2,145,962	\$ 996,464	\$ 3,142,426

Note 9. Holding Corporation

The School Corporation has entered into several capital leases with Crawford County 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 \$1,032,235 and \$1,053,600, respectively.

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OTHER INFORMATION - UNAUDITED

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

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

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

CRAWFORD COUNTY 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 566,260	\$ 1,088,899	\$ 225,116	\$ 237,173	\$ 721,710	\$ 191,718	\$ 458,112	\$ 279,337
Receipts:								
Local sources	53,335	1,412,031	457,123	922,708	1,197,436	-	12,307	334,364
Intermediate sources	226	-	-	-	-	-	-	-
State sources	10,304,306	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	642,141
Temporary loans	467,310	-	-	-	-	-	-	-
Other receipts	-	-	-	29,237	3,088	-	-	-
Total receipts	10,825,177	1,412,031	457,123	951,945	1,200,524	-	12,307	976,505
Disbursements:								
Instruction	7,811,035	-	-	-	-	-	-	-
Support services	3,104,845	-	-	708,220	1,415,692	108,189	-	-
Noninstructional services	150,733	-	-	-	-	-	-	972,797
Facilities acquisition and construction	-	-	-	217,469	-	-	-	-
Debt service	-	1,499,544	437,029	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	11,066,613	1,499,544	437,029	925,689	1,415,692	108,189	-	972,797
Excess (deficiency) of receipts over disbursements	(241,436)	(87,513)	20,094	26,256	(215,168)	(108,189)	12,307	3,708
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	3,746	-	-
Transfers in	1,091	127,433	2,992	57,616	74,743	-	-	-
Transfers out	-	(88,307)	(40,886)	-	-	-	(38,155)	-
Total other financing sources (uses)	1,091	39,126	(37,894)	57,616	74,743	3,746	(38,155)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(240,345)	(48,387)	(17,800)	83,872	(140,425)	(104,443)	(25,848)	3,708
Cash and investments - ending	\$ 325,915	\$ 1,040,512	\$ 207,316	\$ 321,045	\$ 581,285	\$ 87,275	\$ 432,264	\$ 283,045

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
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	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven 13/14	SAFE School Haven 14/15	SAFE School Haven 15/16	Dennie Oxley Memorial Fund	Pam Goldman Special Needs Fund
Cash and investments - beginning	\$ 249,662	\$ 194	\$ 38	\$ 3,411	\$ -	\$ -	\$ 750	\$ 395
Receipts:								
Local sources	-	-	-	-	-	-	750	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	165,956	-	-	-	7,650	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	165,956	-	-	-	7,650	-	750	-
Disbursements:								
Instruction	-	-	-	3,411	7,650	-	-	-
Support services	279,259	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	750	-
Total disbursements	279,259	-	-	3,411	7,650	-	750	-
Excess (deficiency) of receipts over disbursements	(113,303)	-	-	(3,411)	-	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(113,303)	-	-	(3,411)	-	-	-	-
Cash and investments - ending	\$ 136,359	\$ 194	\$ 38	\$ -	\$ -	\$ -	\$ 750	\$ 395

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Larry Eastridge Memorial Fund	2013/2014 IAC Arts Grant Patoka	County Riverboat Support	Insurance (Claims for Losses)	Special Funds	C.A.R.E.S.	13/14 High Ability	14/15 High Ability
Cash and investments - beginning	\$ 2,125	\$ (285)	\$ -	\$ 410	\$ 340	\$ 7,355	\$ 8,164	\$ -
Receipts:								
Local sources	1,820	-	330,992	-	-	136,720	-	-
Intermediate sources	-	285	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	30,426
Federal sources	-	-	-	-	-	43,218	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,820	285	330,992	-	-	179,938	-	30,426
Disbursements:								
Instruction	-	-	-	-	-	259,049	8,164	27,518
Support services	-	-	-	-	30	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	169,355	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	169,355	-	30	259,049	8,164	27,518
Excess (deficiency) of receipts over disbursements	1,820	285	161,637	-	(30)	(79,111)	(8,164)	2,908
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(121,622)	-	-	-	-	-
Total other financing sources (uses)	-	-	(121,622)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,820	285	40,015	-	(30)	(79,111)	(8,164)	2,908
Cash and investments - ending	\$ 3,945	\$ -	\$ 40,015	\$ 410	\$ 310	\$ (71,756)	\$ -	\$ 2,908

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	15/16 High Ability	School Technology	13/14 Secured School Safety	14/15 Secured School Safety	Elearning Innovation Planning Grant	Excess PTRC Distributions	Title I FY14	Title I FY15
Cash and investments - beginning	\$ -	\$ 41,622	\$ (32,302)	\$ -	\$ 1,285	\$ 11,969	\$ (12,227)	\$ -
Receipts:								
Local sources	-	40,526	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	3,495	16,147	22,000	-	-	-	-
Federal sources	-	-	-	-	-	-	72,723	410,376
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	44,021	16,147	22,000	-	-	72,723	410,376
Disbursements:								
Instruction	-	25,225	-	-	-	-	36,728	342,903
Support services	-	-	-	-	-	-	23,669	88,606
Noninstructional services	-	-	-	-	-	-	99	2,224
Facilities acquisition and construction	-	-	5,354	44,000	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	25,225	5,354	44,000	-	-	60,496	433,733
Excess (deficiency) of receipts over disbursements	-	18,796	10,793	(22,000)	-	-	12,227	(23,357)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	16,155	22,000	-	-	-	-
Transfers out	-	-	-	-	-	(11,969)	-	-
Total other financing sources (uses)	-	-	16,155	22,000	-	(11,969)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	18,796	26,948	-	-	(11,969)	12,227	(23,357)
Cash and investments - ending	\$ -	\$ 60,418	\$ (5,354)	\$ -	\$ 1,285	\$ -	\$ -	\$ (23,357)

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
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	Title I FY16	14/15 21st Century Boys and Girls	15/16 21st Century Boys and Girls	16/17 21st Century Boys and Girls	13/14 21st Century (PACK)	Improving Teacher Quality NCLB Title II, Part A 13	Improving Teacher Quality NCLB Title II, Part A 14
Cash and investments - beginning	\$ -	\$ (27,888)	\$ -	\$ -	\$ (11,815)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	329,326	-	-	11,815	49,606	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	329,326	-	-	11,815	49,606	-
Disbursements:							
Instruction	-	292,438	19,720	-	-	56,065	-
Support services	-	9,000	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	301,438	19,720	-	-	56,065	-
Excess (deficiency) of receipts over disbursements	-	27,888	(19,720)	-	11,815	(6,459)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	27,888	(19,720)	-	11,815	(6,459)	-
Cash and investments - ending	\$ -	\$ -	\$ (19,720)	\$ -	\$ -	\$ (6,459)	\$ -

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	Rural Schools & Low Income Program 14/15	Rural Schools & Low Income Program 15/16	Rural Schools & Low Income Program 16/17	Prepaid Food	Payroll Withholdings	Employee Benefit Trust	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 8,097	\$ 82,459	\$ 3,142,426	\$ 7,244,510
Receipts:							
Local sources	-	-	-	-	-	-	4,900,112
Intermediate sources	-	-	-	-	-	-	511
State sources	-	-	-	-	-	-	10,549,980
Federal sources	30,472	32,138	-	-	-	-	1,621,815
Temporary loans	-	-	-	-	-	-	467,310
Other receipts	-	-	-	329,986	2,543,175	2,266,224	5,171,710
Total receipts	<u>30,472</u>	<u>32,138</u>	<u>-</u>	<u>329,986</u>	<u>2,543,175</u>	<u>2,266,224</u>	<u>22,711,438</u>
Disbursements:							
Instruction	30,472	32,138	-	-	-	-	8,952,516
Support services	-	-	-	-	-	-	5,737,510
Noninstructional services	-	-	-	-	-	-	1,125,853
Facilities acquisition and construction	-	-	-	-	-	-	436,178
Debt service	-	-	-	-	-	-	1,936,573
Nonprogrammed charges	-	-	-	328,071	2,584,071	2,983,691	5,896,583
Total disbursements	<u>30,472</u>	<u>32,138</u>	<u>-</u>	<u>328,071</u>	<u>2,584,071</u>	<u>2,983,691</u>	<u>24,085,213</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,915</u>	<u>(40,896)</u>	<u>(717,467)</u>	<u>(1,373,775)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	3,746
Transfers in	-	-	-	-	-	-	302,030
Transfers out	-	-	-	-	(1,091)	-	(302,030)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,091)</u>	<u>-</u>	<u>3,746</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,915</u>	<u>(41,987)</u>	<u>(717,467)</u>	<u>(1,370,029)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,012</u>	<u>\$ 40,472</u>	<u>\$ 2,424,959</u>	<u>\$ 5,874,481</u>

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	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 325,915	\$ 1,040,512	\$ 207,316	\$ 321,045	\$ 581,285	\$ 87,275	\$ 432,264	\$ 283,045
Receipts:								
Local sources	53,694	1,538,173	469,677	910,014	1,139,231	-	32,856	313,500
Intermediate sources	1	-	-	-	-	-	-	-
State sources	9,808,176	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	620,694
Temporary loans	432,014	-	-	-	-	-	-	-
Other receipts	-	-	-	35,720	-	-	-	20,000
Total receipts	10,293,885	1,538,173	469,677	945,734	1,139,231	-	32,856	954,194
Disbursements:								
Instruction	7,585,074	-	-	-	-	-	-	-
Support services	2,773,501	-	-	661,244	1,239,323	18,680	-	-
Noninstructional services	158,180	-	-	-	-	-	-	952,104
Facilities acquisition and construction	-	-	-	344,612	-	-	-	-
Debt service	-	1,486,114	409,499	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,516,755	1,486,114	409,499	1,005,856	1,239,323	18,680	-	952,104
Excess (deficiency) of receipts over disbursements	(222,870)	52,059	60,178	(60,122)	(100,092)	(18,680)	32,856	2,090
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	4,165	-	-
Transfers in	-	-	-	75,044	87,379	-	-	-
Transfers out	(7,037)	(117,674)	(37,712)	-	-	-	-	-
Total other financing sources (uses)	(7,037)	(117,674)	(37,712)	75,044	87,379	4,165	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(229,907)	(65,615)	22,466	14,922	(12,713)	(14,515)	32,856	2,090
Cash and investments - ending	\$ 96,008	\$ 974,897	\$ 229,782	\$ 335,967	\$ 568,572	\$ 72,760	\$ 465,120	\$ 285,135

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
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	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven 13/14	SAFE School Haven 14/15	SAFE School Haven 15/16	Dennie Oxley Memorial Fund	Pam Goldman Special Needs Fund
Cash and investments - beginning	\$ 136,359	\$ 194	\$ 38	\$ -	\$ -	\$ -	\$ 750	\$ 395
Receipts:								
Local sources	-	-	-	-	-	-	750	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	146,379	-	-	-	2,500	11,904	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	146,379	-	-	-	2,500	11,904	750	-
Disbursements:								
Instruction	-	-	-	-	2,500	13,509	-	-
Support services	93,218	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	750	-
Total disbursements	93,218	-	-	-	2,500	13,509	750	-
Excess (deficiency) of receipts over disbursements	53,161	-	-	-	-	(1,605)	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	53,161	-	-	-	-	(1,605)	-	-
Cash and investments - ending	\$ 189,520	\$ 194	\$ 38	\$ -	\$ -	\$ (1,605)	\$ 750	\$ 395

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	Larry Eastridge Memorial Fund	2013/2014 IAC Arts Grant Patoka	County Riverboat Support	Insurance (Claims for Losses)	Special Funds	C.A.R.E.S.	13/14 High Ability	14/15 High Ability
Cash and investments - beginning	\$ 3,945	\$ -	\$ 40,015	\$ 410	\$ 310	\$ (71,756)	\$ -	\$ 2,908
Receipts:								
Local sources	1,225	-	66,036	-	-	197,150	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	29,488	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,225	-	66,036	-	-	226,638	-	-
Disbursements:								
Instruction	-	-	-	-	-	155,106	-	2,908
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	61,027	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	61,027	-	-	155,106	-	2,908
Excess (deficiency) of receipts over disbursements	1,225	-	5,009	-	-	71,532	-	(2,908)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,225	-	5,009	-	-	71,532	-	(2,908)
Cash and investments - ending	\$ 5,170	\$ -	\$ 45,024	\$ 410	\$ 310	\$ (224)	\$ -	\$ -

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	15/16 High Ability	School Technology	13/14 Secured School Safety	14/15 Secured School Safety	Elearning Innovation Planning Grant	Excess PTRC Distributions	Title I FY14	Title I FY15
Cash and investments - beginning	\$ -	\$ 60,418	\$ (5,354)	\$ -	\$ 1,285	\$ -	\$ -	\$ (23,357)
Receipts:								
Local sources	-	36,055	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	31,687	4,404	5,354	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	83,321
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	31,687	40,459	5,354	-	-	-	-	83,321
Disbursements:								
Instruction	26,297	54,633	-	-	-	-	-	35,940
Support services	-	-	-	-	1,285	-	-	21,489
Noninstructional services	-	-	-	-	-	-	-	2,535
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	26,297	54,633	-	-	1,285	-	-	59,964
Excess (deficiency) of receipts over disbursements	5,390	(14,174)	5,354	-	(1,285)	-	-	23,357
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,390	(14,174)	5,354	-	(1,285)	-	-	23,357
Cash and investments - ending	\$ 5,390	\$ 46,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CRAWFORD COUNTY 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

	Title I FY16	14/15 21st Century Boys and Girls	15/16 21st Century Boys and Girls	16/17 21st Century Boys and Girls	13/14 21st Century (PACK)	Improving Teacher Quality NCLB Title II, Part A 13	Improving Teacher Quality NCLB Title II, Part A 14
Cash and investments - beginning	\$ -	\$ -	\$ (19,720)	\$ -	\$ -	\$ (6,459)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	466,308	-	257,363	-	-	52,848	96,305
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>466,308</u>	<u>-</u>	<u>257,363</u>	<u>-</u>	<u>-</u>	<u>52,848</u>	<u>96,305</u>
Disbursements:							
Instruction	418,260	-	258,880	15,404	-	46,389	112,907
Support services	95,117	-	-	-	-	-	-
Noninstructional services	5,483	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>518,860</u>	<u>-</u>	<u>258,880</u>	<u>15,404</u>	<u>-</u>	<u>46,389</u>	<u>112,907</u>
Excess (deficiency) of receipts over disbursements	<u>(52,552)</u>	<u>-</u>	<u>(1,517)</u>	<u>(15,404)</u>	<u>-</u>	<u>6,459</u>	<u>(16,602)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(52,552)</u>	<u>-</u>	<u>(1,517)</u>	<u>(15,404)</u>	<u>-</u>	<u>6,459</u>	<u>(16,602)</u>
Cash and investments - ending	<u>\$ (52,552)</u>	<u>\$ -</u>	<u>\$ (21,237)</u>	<u>\$ (15,404)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,602)</u>

CRAWFORD COUNTY 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

	Rural Schools & Low Income Program 14/15	Rural Schools & Low Income Program 15/16	Rural Schools & Low Income Program 16/17	Prepaid Food	Payroll Withholdings	Employee Benefit Trust	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 10,012	\$ 40,472	\$ 2,424,959	\$ 5,874,481
Receipts:							
Local sources	-	-	-	-	-	-	4,758,361
Intermediate sources	-	-	-	-	-	-	1
State sources	-	-	-	-	-	-	10,010,404
Federal sources	-	-	-	-	-	-	1,606,327
Temporary loans	-	-	-	-	-	-	432,014
Other receipts	-	-	-	305,313	2,462,579	2,031,642	4,855,254
Total receipts	-	-	-	305,313	2,462,579	2,031,642	21,662,361
Disbursements:							
Instruction	-	-	28,726	-	-	-	8,756,533
Support services	-	-	-	-	-	-	4,903,857
Noninstructional services	-	-	-	-	-	-	1,118,302
Facilities acquisition and construction	-	-	-	-	-	-	405,639
Debt service	-	-	-	-	-	-	1,895,613
Nonprogrammed charges	-	-	-	305,575	2,440,894	2,378,585	5,125,804
Total disbursements	-	-	28,726	305,575	2,440,894	2,378,585	22,205,748
Excess (deficiency) of receipts over disbursements	-	-	(28,726)	(262)	21,685	(346,943)	(543,387)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	4,165
Transfers in	-	-	-	-	-	-	162,423
Transfers out	-	-	-	-	-	-	(162,423)
Total other financing sources (uses)	-	-	-	-	-	-	4,165
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(28,726)	(262)	21,685	(346,943)	(539,222)
Cash and investments - ending	\$ -	\$ -	\$ (28,726)	\$ 9,750	\$ 62,157	\$ 2,078,016	\$ 5,335,259

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Crawford County School Building Corporation	Lease Rental Elementary Schools	\$ 947,500	6/1/2006	12/1/2021
Crawford County School Building Corporation	Roofing Masonary Doors and Windows	114,854	6/30/2007	6/30/2020
Crawford County School Building Corporation	Media Center and Science Labs	<u>71,676</u>	7/15/2011	7/15/2023
Total governmental activities		<u>1,134,030</u>		
Total of annual lease payments		<u>\$ 1,134,030</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Bonds	\$ 2,040,000	\$ 411,626
Notes and loans payable	Common School Loans	<u>2,266,919</u>	<u>398,009</u>
Total governmental activities		<u>4,306,919</u>	<u>809,635</u>
Totals		<u>\$ 4,306,919</u>	<u>\$ 809,635</u>

CRAWFORD COUNTY 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	\$ 270,000
Buildings	35,346,498
Improvements other than buildings	253,894
Machinery, equipment, and vehicles	<u>1,584,140</u>
Total governmental activities	<u>37,454,532</u>
Total capital assets	<u>\$ 37,454,532</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Crawford County 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
and Twenty-First Century Community Learning Centers***

As described in item 2016-007 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 Cash Management and Reporting. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

As described in item 2016-011 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 Twenty-First Century Community Learning Centers regarding Cash Management and Reporting. 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
and Twenty-First Century Community Learning Centers***

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 and Twenty-First Century Community Learning Centers regarding Cash Management and Reporting, described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies and Twenty-First Century Community Learning Centers* 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 and Twenty-First Century Community Learning Centers for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on the Other Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-004, 2016-005, 2016-006, 2016-009, and 2016-010. 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.

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

Report on Internal Control over Compliance


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, and 2016-011 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

June 7, 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.

CRAWFORD COUNTY 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 14-15 FY 15-16	\$ - -	\$ 189,048 -	\$ - -	\$ - 174,884
Total - School Breakfast Program				-	189,048	-	174,884
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Fund			FY 14-15 FY 15-16	- -	446,623 -	- -	- 439,206
Commodities			FY 14-15 FY 15-16	- -	54,418 -	- -	- 52,850
Total - National School Lunch Program				-	501,041	-	492,056
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 14-15 FY 15-16	- -	14,169 -	- -	- 5,289
Total - Summer Food Service Program for Children				-	14,169	-	5,289
Total - Child Nutrition Cluster				-	704,258	-	672,229
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 14-15 FY 15-16	- -	29,049 -	- -	- 24,199
After School Supplement (Snack)				-	29,049	-	24,199
Total - Child and Adult Care Food Program				-	29,049	-	24,199
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	FY 14-15	-	-	-	20,000
Child Nutrition School Meals Equipment Grant				-	-	-	20,000
Total - Child Nutrition Discretionary Grants Limited Availability				-	-	-	20,000
Total - Department of Agriculture				-	733,307	-	716,428
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14213-056-PN01 14214-056-PN01 14215-056-PN01 14216-056-PN01 99914-056-TA01	- - - - -	79 102,576 293,900 - 2,068	- - - - -	- 578 103,479 271,688 3,458
Total - Special Education_Grants to States				-	398,623	-	379,203

CRAWFORD COUNTY 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	84.173	45714-056-PN01	-	8,059	-	-
			45715-056-PN01	-	8,109	-	8,575
			45716-056-PN01	-	-	-	8,803
Total - Special Education_Preschool Grants				-	16,168	-	17,378
Total - Special Education Cluster (IDEA)				-	414,791	-	396,581
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	FY 13-14	-	139,801	-	-
			FY 14-15	-	343,298	-	198,712
			FY 15-16	-	-	-	350,917
Total - Title I Grants to Local Educational Agencies				-	483,099	-	549,629
Twenty-First Century Community Learning Centers After School Learning Center Award	Indiana Department of Education	84.287	FY 13-14	-	11,815	-	-
			FY 14-15	-	329,326	-	-
			FY 15-16	-	-	-	257,363
Total - Twenty-First Century Community Learning Centers				-	341,141	-	257,363
Rural Education Rural & Low Income Schools Grant	Indiana Department of Education	84.358	FY 13-14	-	30,472	-	-
			FY 14-15	-	32,138	-	-
Total - Rural Education				-	62,610	-	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FY 13-14	-	49,606	-	52,848
			FY 14-15	-	-	-	96,305
Total - Improving Teacher Quality State Grants				-	49,606	-	149,153
Total - Department of Education				-	1,351,247	-	1,352,726
Total federal awards expended				\$ -	\$ 2,084,554	\$ -	\$ 2,069,154

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

CRAWFORD COUNTY 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. Special Education Cooperative

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	yes
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	
Special Education Cluster (IDEA)	Unmodified
Title I Grants to Local Educational Agencies	Qualified
Twenty-First Century Community Learning Centers	Qualified
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
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers

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

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

FINDING 2016-001

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

CRAWFORD COUNTY 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 had not established effective internal controls to prevent, or detect and correct, errors in the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the Schedule of Expenditures of Federal Awards (SEFA).

Context

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster, Child and Adult Care Food Program, and Child Nutrition Discretionary Grants Limited Availability were excluded from the SEFA in the amount of \$1,449,735.
2. The Special Education Cluster (IDEA) was understated in the amount of \$347,981.
3. Grant funds in the amount of \$1,416,590 were erroneously reported as being passed through to subrecipients.
4. Several program names were reported incorrectly.

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. . . ."

CRAWFORD COUNTY 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 to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

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

FINDING 2016-002

Subject: Financial Transactions and Reporting - Employee Benefit Trust
Audit Findings: Material Weakness, Noncompliance

Condition

Management of the School Corporation had not established an adequate internal control system related to financial transactions and reporting of its Employee Benefit Trust fund. There was no evidence of a review, oversight, or approval process to ensure the accuracy of the transactions and balances within this fund. The lack of controls enabled material misstatements to the financial statement and noncompliance to occur and remain undetected.

The School Corporation created the Employee Benefit Trust fund to account for transactions related to costs incurred for insurance premiums and other medical expenses. The School Corporation created a separate bank account which it transferred funds to each month to cover these expenditures. However, the School Corporation did not include the receipts, disbursements, or cash balances of the Employee Benefit Trust fund in its financial records. As a result, receipts, disbursements, and cash and investments on the financial statement were understated in the amounts of \$2,266,224, \$2,983,691, and \$2,424,959, respectively, for the period ending June 30, 2015, and \$2,031,642, \$2,378,585, and \$2,078,016, respectively, for the period ending June 30, 2016.

The School Corporation received monthly bank statements for the Crawford County Community Schools Employee Benefit Trust account, but no monthly bank reconciliations of this account were performed.

The majority of disbursements in the Employee Benefit Trust fund were electronic fund transfers generated by third-party vendors set up to autodraft payments from the bank account. The remaining disbursements were made by check, most of which were only signed by the Assistant Treasurer. The disbursements out of the Employee Benefit Trust fund circumvented the School Corporation's normal claims process during the audit period. Most disbursements were not approved by the Fiscal Officer and none were approved by the School Board.

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

Context

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

Criteria

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

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"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. . . ."

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines for Indiana Public School Corporations, Chapter 1)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Indiana Code 5-11-10-1.6 states in part:

". . . (c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

(4) the fiscal officer audit and certifies before payment that the invoice or bill is true and correct; and

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Cause

Management of the School Corporation had not established a proper system of internal controls that would have ensured compliance and proper reporting of the receipts, disbursements, and cash balances of the Employee Benefit Trust fund.

Effect

The failure to establish a proper system of internal control enabled noncompliance to occur and also enabled material misstatements of the financial statement related to the Employee Benefit Trust fund to remain undetected.

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(Continued)

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to financial transactions and reporting of the Employee Benefit Trust fund. Additionally, we recommended that the School Corporation account for the Employee Benefit Trust fund transactions in its financial records, reconcile the Crawford County Community Schools Employee Benefit Trust bank account monthly, and ensure that Employee Benefit Trust fund disbursements go through the proper approval process prior to payment.

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: Financial Transactions and Reporting - Payroll Disbursements
Audit Finding: Significant Deficiency

Condition

The School Corporation had implemented an internal control over payroll disbursements that hourly employees completed timesheets each pay period that were signed by the employee's supervisor. However, the control was not operating effectively during the audit period.

Issues were identified with three of five pay periods tested. Timesheets for four hourly employees were not signed by the employee's supervisor in one pay period, and timesheets for one employee each were not signed in two other pay periods.

Context

The internal control issue was a systemic problem throughout the audit period as the issue was identified in pay periods during both years under audit.

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. . . .

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(Continued)

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

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

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

Management remediates identified issues. . . ."

Cause

Management of the School Corporation had not properly implemented and monitored the system of internal controls related to payroll disbursements.

Effect

The failure to properly implement controls could have enabled misstatements or irregularities related to payroll disbursements to remain undetected.

Recommendation

We recommended that the School Corporation's management monitor the system of internal controls related to payroll disbursements to ensure that internal controls operated effectively.

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 2016-004

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

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Other Matters

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(Continued)

Repeat Finding

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

Condition

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

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

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

Additionally, the School Corporation was responsible for filing the Report of Children and Youth with Disabilities Receiving Special Education under Part B of the Individuals with Disabilities Act in December each year. Adequate internal controls were not in place over this report to ensure its accuracy prior to submission. The report submitted in December 2014 did not contain signatures of School Corporation officials who were independent of report preparation. There was no evidence of segregation of duties such as an oversight, review, or approval process.

Context

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

The internal control issue over the Report of Children and Youth with Disabilities Receiving Special Education under Part B of the Individuals with Disabilities Education Act was isolated to school year 2014-2015 and subsequently corrected in school year 2015-2016.

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. . . ."

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(Continued)

34 CFR 80.20(b) states:

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

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

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

Cause

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Cash Management and Reporting compliance requirements. We also recommended that the School Corporation implement controls over the Report of Children and Youth with Disabilities Receiving Special Education under Part B of the Individuals with Disabilities Education Act to ensure accuracy of the report prior to submission.

Views of Responsible Officials

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

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

FINDING 2016-005

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 14215-056-PN01, 14216-054-PN01,
45715-056-PN01, 45716-054-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

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

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

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

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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(Continued)

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

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.

(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. . . ."

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 designed or implemented internal control procedures to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

CRAWFORD COUNTY 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 develop and implement procedures and establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2016-006

Subject: Special Education Grants to States - Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States

CFDA Number: 84.027

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition

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

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

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

Context

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

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

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). . . ."

2 CFR 180.300 states:

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

You do this by:

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

Cause

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

Effect

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

Questioned Costs

There were no questioned costs identified.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-007

Subject: Title I Grants to Local Educational Agencies - Cash Management and Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting
Audit Findings: Material Weakness, Modified Opinion

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 to ensure compliance with requirements related to the grant agreement and the Cash Management and Reporting compliance requirements.

Adequate internal controls were not in place over the Cash Management and Reporting compliance requirements to ensure the accuracy of the reports filed. During the period from July 2014 to May 2015, the Assistant Treasurer had the sole responsibility for preparing and submitting the reimbursement requests. There was no segregation of duties such as an oversight, review, or approval process. Additionally, during the same period, the School Corporation did not retain copies of the supporting documentation used to prepare the reimbursement requests and was unable to reproduce this documentation for audit. Therefore, the amounts requested for reimbursement could not be substantiated, and it could not be verified that expenses were paid prior to the request for reimbursement.

Context

The issue was isolated to school year 2014-2015 and subsequently correct in June 2015.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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

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

34 CFR 80.20(b) states:

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

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

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured adequate supporting documentation for reimbursement requests was retained and available for audit.

Effect

The lack of supporting documentation for reimbursement requests prevented the determination of the School Corporation's compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that supporting documentation related to the grant agreement and the Cash Management and Reporting compliance requirements is maintained and available for audit.

Views of Responsible Officials

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

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

FINDING 2016-008

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Comparability
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): FY 13-14, FY 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Comparability
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 to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Internal controls were not in place over the Special Tests and Provisions - Comparability compliance requirement to ensure the accuracy of the reports filed. The Title I Director had the sole responsibility for preparing and submitting the Comparability reports. There was no segregation of duties such as an oversight, review, or approval process.

Context

The lack of controls was a systemic problem throughout the audit period as both Comparability reports submitted did not contain evidence of an oversight, review, or approval process.

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). . . ."

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

Cause

Management of the School Corporation had not developed a system of internal controls, including segregation of duties, that would have ensured that the School Corporation complied with the Special Tests and Provisions - Comparability compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Special Tests and Provisions - Comparability 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 Special Tests and Provisions - Comparability 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 2016-009

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): FY 13-14, FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

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

Two employees worked solely within the Title I program during the audit period. However, no Semi-Annual Certifications were prepared for these employees. In addition, monthly personnel activity reports were not prepared for substitutes for Title I paraprofessionals who worked on multiple activities or cost objectives.

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

Context

The lack of controls and noncompliance related to the time and effort reporting issues were systemic problems throughout the audit period. During both years under audit, the School Corporation did not complete all of the time and effort reporting required under the Title I grant.

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 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.

(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.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances. . . ."

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. . . ."

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

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

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states in part: "Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year. Employees who work on multiple activities must maintain a time and effort log at least once a month. . . ."

Cause

The School Corporation's management had not developed a system of internal control that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-010

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

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Schoolwide Programs

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Schoolwide Programs compliance requirement.

The School Corporation operated five elementary schools and one secondary school during the audit period. The School Corporation developed individual comprehensive needs assessments and comprehensive plans for each school for both years under audit. However, several of these plans did not

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

include the required components under the Schoolwide Programs requirement. Three of the elementary school plans did not address transition plans for assisting preschool children in the successful transition to the schoolwide program. Those same plans and the secondary school plan also did not specifically address additional support to students experiencing difficulty.

The School Corporation was also required to conduct annual evaluations of the results achieved by the schoolwide program and revise the schoolwide plans accordingly based upon those evaluations. However, the School Corporation was unable to provide documentation or other evidence to support that the evaluations of results at each school were conducted as required.

Context

The lack of controls and noncompliance were systemic issues throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 200.26(c) states:

"*Evaluation.* A school operating a schoolwide program must—

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

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

34 CFR 200.28 states in part:

". . . (d) *Additional support.* A schoolwide program school must include activities to ensure that students who experience difficulty attaining the proficient or advanced levels of academic achievement standards required by § 200.1 will be provided with effective, timely additional support, including measures to—

- (1) Ensure that those students' difficulties are identified on a timely basis; and
- (2) Provide sufficient information on which to base effective assistance to those students.

(e) *Transition.* A schoolwide program in an elementary school must include plans for assisting preschool students in the successful transition from early childhood programs, such as Head Start, Even Start, Early Reading First, or a preschool program under IDEA or a State-run preschool program, to the schoolwide program."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Schoolwide Programs 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 compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Schoolwide Programs 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 2016-011

Subject: Twenty-First Century Community Learning Centers - Cash Management and Reporting
Federal Agency: Department of Education
Federal Program: Twenty-First Century Community Learning Centers
CFDA Number: 84.287
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting
Audit Findings: Material Weakness, Modified Opinion

CRAWFORD COUNTY 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 2014-002.

Condition

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

Adequate internal controls were not in place over the Cash Management and Reporting compliance requirements to ensure the accuracy of the reports filed. The Business Manager was approving the reimbursement requests prepared by the Assistant Treasurer. However, the control was not effective from July 2014 to June 2015, as the School Corporation did not retain copies of the supporting documentation used to prepare the reimbursement requests and was unable to provide this documentation for audit. Therefore, the amounts requested for reimbursement could not be substantiated, nor could it be verified that expenses were paid prior to the request for reimbursement.

In addition, the School Corporation was required to submit a Final Report of Expenditures for each grant year. The reports were not filed for the grants awarded for fiscal year 2014-2015 or fiscal year 2015-2016. Additionally, the School Corporation filed the Mid-Year Expenditure Report for fiscal year 2015-2016 as required, but the School Corporation did not retain copies of the supporting documentation used to prepare the report and was unable to provide this documentation for audit. Therefore, the amounts submitted on the report could not be substantiated.

Context

The internal control and compliance issues with the Reimbursement Requests were isolated to school year 2014-2015 and subsequently corrected in June 2015.

The internal control and compliance issues with the Final Report of Expenditures were systemic problems throughout the audit period. The lack of supporting documentation for the Mid-Year Expenditure Report was isolated to fiscal year 2015-2016.

Criteria

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

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

34 CFR 80.20(b) states:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

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

- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that adequate supporting documentation was retained for the reimbursement requests and Mid-Year Expenditure Report and that all required reports were prepared and submitted.

Effect

The failure to establish an effective internal control system enabled material noncompliance with the Cash Management and Reporting compliance requirements. The lack of supporting documentation for reimbursement requests and other required reports prevented the determination of the School Corporation's compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that supporting documentation for reimbursement requests and required reports is retained and available for audit and that all required reports are prepared and submitted related to the grant agreement and the Cash Management and Reporting compliance requirements.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2012

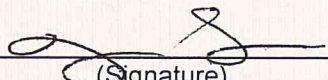
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: James Smith

Contact Phone Number: 812-365-2135

Status of Audit Finding:

The School Corporation has established a system of internal control to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards. We are in the process of implementation of this system for Crawford County Schools to ensure that the Schedule of Expenditures of Federal Awards are updated annually through Indiana State Board of Account's Gateway Annual Financial Report. This submission will include all required information and ensure that each grant is tracked and entered by grant year. These grant reports and reimbursements are reviewed by both the Business Manager and Assistant Treasurer for accuracy prior to submission.



(Signature)

Business Manager

(Title)

5 / 7 / 18

(Date)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal year in which the finding initially occurred: 2012

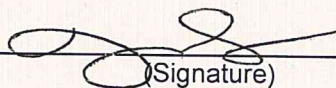
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Krissi Frazee

Contact Phone Number: 812-365-2135

Status of Audit Finding:

The School Corporation has established a system of internal control for all 21st Century grants to include segregation of duties for cash management and reporting. This corrective action was implemented in July of 2015. Crawford County Schools has ensured that the Assistant Treasurer prints out the necessary supporting documentation from our financial software and determines the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, is given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager signs the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer then makes any necessary corrections, signs, and sends in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director.



(Signature)

Business Manager

(Title)

5/1/18

(Date)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2012

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Krissi Frazee and Amy Etienne

Contact Phone Number: 812-365-2135

Status of Audit Finding:

The School Corporation is in the process of implementing a system of internal control for all Title I grants to include segregation of duties for cash management and reporting. This process began in June of 2015. The Assistant Treasurer prints out the necessary supporting documentation from our financial software and determines the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, is given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager signs the reimbursement request form and returns it to the Assistant Treasurer. The Assistant Treasurer then makes any necessary corrections, signs, and sends in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director.

The School Corporation is in the process of implementing a system of internal control for all Title I grants to include segregation of duties for special tests and provisions - comparability. Crawford County Schools will ensure that the Title I Director and Assistant Treasurer both review Special Tests and Provision - Comparability reports prior to submission.



(Signature)

Business Manager

(Title)

5 / 7 / 18

(Date)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2012

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Krissi Frazee

Contact Phone Number: 812-365-2135

Status of Audit Finding:

The School Corporation is in the process of implementing a system to monitor South Central Area Special Education Cooperative in regards to Special Education grant cash management and reporting. Crawford County Schools will ensure that SCASEC expenditures are incurred and/or paid prior to requesting reimbursement and that reports are filed accurately. Reimbursement requests and reports will be supported by expenditure or appropriation reports and reviewed by the Special Education Coop Director and school corporation Assistant Treasurer prior to submission. This will ensure that the reimbursement grant expenditures are paid prior to the date that the reimbursement is claimed. This will also ensure that the amount claimed and reported will agree with the supporting documentation in accordance with the Cash Management and Reporting requirements. The school corporation Treasurer will also verify accuracy of Special Education grant funds received from the SCASEC to the school corporation.



(Signature)

Business Manager

(Title)

5/1/18

(Date)



CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Business Manager
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Each year, the Business Manager will prepare a list of all federal awards and will complete the Schedule of Expenditures for Federal Awards as required at the end of each fiscal year. The Assistant Treasurer will be provided with the list of all federal awards for the fiscal year and will review all documentation supporting the Schedule's content for accuracy and completeness prior to the Schedule's submission.

Anticipated Completion Date: June 30, 2016

FINDING 2016-002

Contact Person Responsible for Corrective Action: Business Manager, Treasurer, Assistant Treasurer
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:
At the end of each month, the Assistant Treasurer will provide the Treasurer with a list of all expenses paid from the Employee Benefit Trust account and the Treasurer will reconcile the bank statement. The Assistant Treasurer will submit a claims report monthly to the Crawford County Board of Trustees for approval. The Business Manager, Treasurer, and Assistant Treasurer will review and approve the bank reconciliation and claims report monthly.

Anticipated Completion Date: June 30, 2016

FINDING 2016-003

Contact Person Responsible for Corrective Action: Treasurer
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrators have been advised to sign timesheets during summer months. The Treasurer will ensure that all timesheets are signed before payroll will be processed.

Anticipated Completion Date: June 30, 2016

FINDING 2016-004

Contact Person Responsible for Corrective Action: Assistant Treasurer
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Crawford County School Corporation will require the South Central Special Education Cooperative to submit all reimbursement requests along with a detailed claims report to the school corporation for approval prior to submission. South Central Special Education Cooperative will also submit the Report of Children and Youth with Disabilities Receiving Special Education for approval prior to submission.

Anticipated Completion Date: June 30, 2016

FINDING 2016-005

Contact Person Responsible for Corrective Action: Superintendent
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Special Education Director will ensure that semi-annual certifications are completed and certified for all special education staff paid solely from Special Education Funds. The Special Education Director will also ensure that personal activity reports are prepared and signed. The Coop Board/Superintendent will require that all documentation of semi-annual certifications and personal activity reports be on file at the Special Education Cooperative office.

Anticipated Completion Date: June 30, 2016

FINDING 2016-006

Contact Person Responsible for Corrective Action: Superintendent
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Special Education Director will ensure that all subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State Indiana. The Coop Board/Superintendent will ensure that all documentation required for subcontractors is on file at the Special Education Cooperative office.

Anticipated Completion Date: June 30, 2016

FINDING 2016-007

Contact Person Responsible for Corrective Action: Assistant Treasurer
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: With every cash request, the Assistant Treasurer will print out the necessary supporting documentation from our financial software to determine the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, will be given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager will sign the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer will then make any necessary corrections, sign, and send in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director.

Anticipated Completion Date: June 30, 2016

FINDING 2016-008

Contact Person Responsible for Corrective Action: Title I Director, Assistant Treasurer
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Director will prepare the Comparability report and submit it to the Assistant Treasurer for review. Once approved by the Assistant Treasurer, the Title I Director will submit the Comparability report.

Anticipated Completion Date: June 30, 2016

FINDING 2016-009

Contact Person Responsible for Corrective Action: Title I Director
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Director will ensure that semi-annual certifications are prepared for all certified Title I staff and will prepare personal activity reports for substitutes for Title I Paraprofessionals who work on multiple activities/cost objectives.

Anticipated Completion Date: June 30, 2016

FINDING 2016-010

Contact Person Responsible for Corrective Action: Title I Director
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Director will ensure that all comprehensive need assessments and comprehensive plans are in compliance with the requirements related to the plan agreement. These plans will include a transition plan for assisting preschool children in the successful transition to the schoolwide program and address additional support to students experiencing difficulties. The Title I Director will also ensure that all schoolwide annual evaluations are conducted.

Anticipated Completion Date: June 30, 2016

FINDING 2016-011

Contact Person Responsible for Corrective Action: Assistant Treasurer
Contact Phone Number: 812-365-2135
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: With every cash request, the Assistant Treasurer will print out the necessary supporting documentation from our financial software to determine the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, will be given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager will sign the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer will then make any necessary corrections, sign, and send in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director. All required mid-year and final expenditure reports will be completed and supporting documentation will be retained.

Anticipated Completion Date: June 30, 2016



(Signature)

Superintendent

(Title)

6-7-18

(Date)



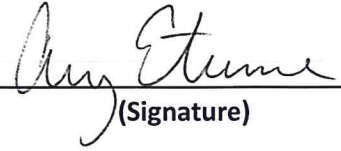
(Signature)

Business Manager

(Title)

6-7-18

(Date)



(Signature)

Title I Director

(Title)

6-7-18

(Date)



(Signature)

Treasurer

(Title)

June 7, 2018

(Date)



(Signature)

Assistant Treasurer

(Title)

6-7-18

(Date)

(Signature)

(Title)

(Date)

OTHER REPORTS

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