

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BLUE RIVER VALLEY SCHOOLS
HENRY COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
07/06/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly Riley	01-01-14 to 12-31-18
Superintendent of Schools	Stephen K. Welsh Eric Creviston	01-01-14 to 12-31-14 01-01-15 to 12-31-18
President of the School Board	John Cross Jon Madison	01-01-14 to 01-10-16 01-11-16 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF BLUE RIVER VALLEY SCHOOLS, HENRY COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 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 11, 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 BLUE RIVER VALLEY SCHOOLS, HENRY 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 Blue River Valley Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated June 11, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 11, 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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BLUE RIVER VALLEY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 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	\$ 43,548	\$ 3,810,664	\$ 3,740,580	\$ -	\$ 113,632	\$ 3,856,364	\$ 3,813,431	\$ -	\$ 156,565
Debt Service	412,548	958,674	864,001	-	507,221	938,385	888,000	-	557,606
Capital Projects	869,011	573,357	642,970	3,120	802,518	549,349	583,824	293	768,336
School Transportation	1,373,298	590,300	337,963	(330,000)	1,295,635	611,514	338,849	(290,000)	1,278,300
School Bus Replacement	165,611	90,576	90,579	-	165,608	94,970	195,747	-	64,831
Rainy Day	411,434	6,528	150,719	330,000	597,243	-	257,060	290,000	630,183
Construction	21,744	-	21,744	-	-	-	-	-	-
Barn Fire Replacement	3,282	-	54	-	3,228	-	42	-	3,186
School Lunch	51,298	307,314	317,557	-	41,055	421,892	462,947	-	-
Textbook Rental	101,808	53,183	32,543	-	122,448	44,284	67,851	-	98,881
Repair and Replacement	4,881	-	1,240	-	3,641	-	3,641	-	-
Levy Excess	12,575	1,706	-	-	14,281	-	-	-	14,281
Educational License Plates	2,445	18	-	-	2,463	56	-	-	2,519
Early Intervention Grant	500	-	-	-	500	-	-	-	500
Miscellaneous Programs	1,361	-	-	-	1,361	-	-	-	1,361
Buddy Program	75	-	-	-	75	-	-	-	75
Formative Assessment	-	-	-	-	-	9,189	2,252	-	6,937
Teacher Quality Improvement Program	17,393	55	17,448	-	-	-	-	-	-
Tech Prep	-	26,640	14,320	-	12,320	-	12,320	-	-
Principal Leadership Academy	-	-	-	-	-	27,603	19,946	-	7,657
Secured Schools Safety Grant	(324)	16,981	18,360	-	(1,703)	11,495	24,633	-	(14,841)
School Technology	8,237	7,067	12,627	-	2,677	11,511	11,782	-	2,406
Performance Based Awards	(1,286)	4,367	3,081	-	-	11,732	10,898	-	834
Construction, Remodeling, and Equipping Buildings	(2,000)	3,041	1,041	-	-	-	-	-	-
Westinghouse Grant	2,358	-	2,358	-	-	-	-	-	-
Preschool Tuition Fees	11,370	19,803	24,469	-	6,704	25,399	31,798	-	305
Title I 13-14	(2,853)	64,008	61,155	-	-	524	524	-	-
Title I 14-15	-	196,670	200,832	-	(4,162)	24,095	19,933	-	-
Title I 15-16	-	-	-	-	-	159,640	166,748	-	(7,108)
Coop Sp Ed Part B FY 14	(6,309)	12,975	6,666	-	-	1,852	1,852	-	-
Sp Ed Improvement 2012	-	500	500	-	-	-	-	-	-
Tech Assistance Grant FY14	-	602	602	-	-	-	-	-	-
Coop Sp Ed Part B FY15	-	120,813	127,002	-	(6,189)	16,967	10,785	-	(7)
Coop Sp Ed Part B FY16	-	606	606	-	-	134,986	134,986	-	-
Coop Sp Ed Preschool FY15	-	-	1,596	-	(1,596)	2,100	1,008	-	(504)
Coop Sp Ed Preschool FY16	-	-	-	-	-	1,596	1,596	-	-
Coop Sp Ed Preschool FY14	-	1,243	1,362	-	(119)	133	14	-	-
Title IIA FY13	-	88	88	-	-	16,541	16,541	-	-
Title IIA 12-14	(519)	4,904	4,385	-	-	-	-	-	-
Title IIA FY14	-	-	-	-	-	2,442	2,590	-	(148)
Rural Schools Achievement	-	-	-	-	-	33,564	33,564	-	-
Rural Schools and Low Income Program - Pass Through State	-	6,918	6,918	-	-	-	-	-	-
Rural Grant FY13	-	9,998	9,998	-	-	2,738	2,738	-	-
Payroll Withholdings	-	3,172,810	3,158,110	-	14,700	3,533,941	3,533,940	-	14,701
Totals	\$ 3,501,486	\$ 10,062,409	\$ 9,873,474	\$ 3,120	\$ 3,693,541	\$ 10,544,862	\$ 10,651,840	\$ 293	\$ 3,586,856

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

BLUE RIVER VALLEY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

BLUE RIVER VALLEY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other Financing Sources and Uses

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

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

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

BLUE RIVER VALLEY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

BLUE RIVER VALLEY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

BLUE RIVER VALLEY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up as reimbursable grants.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Blue River Valley 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 ended June 30, 2015 and 2016, totaled \$860,000 and \$888,000, respectively.

OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Barn Fire Replacement
Cash and investments - beginning	\$ 43,548	\$ 412,548	\$ 869,011	\$ 1,373,298	\$ 165,611	\$ 411,434	\$ 21,744	\$ 3,282
Receipts:								
Local sources	13,494	958,674	573,357	590,300	90,576	6,528	-	-
Intermediate sources	124	-	-	-	-	-	-	-
State sources	3,796,808	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	238	-	-	-	-	-	-	-
Total receipts	3,810,664	958,674	573,357	590,300	90,576	6,528	-	-
Disbursements:								
Instruction	2,421,973	-	-	-	-	69,891	-	-
Support services	1,243,832	-	442,997	337,963	90,579	80,828	21,744	-
Noninstructional services	74,775	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	199,973	-	-	-	-	54
Debt service	-	864,001	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	3,740,580	864,001	642,970	337,963	90,579	150,719	21,744	54
Excess (deficiency) of receipts over disbursements	70,084	94,673	(69,613)	252,337	(3)	(144,191)	(21,744)	(54)
Other financing sources (uses):								
Sale of capital assets	-	-	3,120	-	-	-	-	-
Transfers in	-	-	-	-	-	330,000	-	-
Transfers out	-	-	-	(330,000)	-	-	-	-
Total other financing sources (uses)	-	-	3,120	(330,000)	-	330,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	70,084	94,673	(66,493)	(77,663)	(3)	185,809	(21,744)	(54)
Cash and investments - ending	\$ 113,632	\$ 507,221	\$ 802,518	\$ 1,295,635	\$ 165,608	\$ 597,243	\$ -	\$ 3,228

BLUE RIVER VALLEY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER
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 For the Year Ended June 30, 2015

	School Lunch	Textbook Rental	Repair and Replacement	Levy Excess	Educational License Plates	Early Intervention Grant	Miscellaneous Programs	Buddy Program
Cash and investments - beginning	\$ 51,298	\$ 101,808	\$ 4,881	\$ 12,575	\$ 2,445	\$ 500	\$ 1,361	\$ 75
Receipts:								
Local sources	153,697	33,869	-	1,706	-	-	-	-
Intermediate sources	-	-	-	-	18	-	-	-
State sources	3,651	19,314	-	-	-	-	-	-
Federal sources	146,069	-	-	-	-	-	-	-
Other receipts	3,897	-	-	-	-	-	-	-
Total receipts	307,314	53,183	-	1,706	18	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	14,018	32,543	1,240	-	-	-	-	-
Noninstructional services	302,331	-	-	-	-	-	-	-
Facilities acquisition and construction	1,208	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	317,557	32,543	1,240	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(10,243)	20,640	(1,240)	1,706	18	-	-	-
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	(10,243)	20,640	(1,240)	1,706	18	-	-	-
Cash and investments - ending	\$ 41,055	\$ 122,448	\$ 3,641	\$ 14,281	\$ 2,463	\$ 500	\$ 1,361	\$ 75

BLUE RIVER VALLEY SCHOOLS
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	Formative Assessment	Teacher Quality Improvement Program	Tech Prep	Principal Leadership Academy	Secured Schools Safety Grant	School Technology	Performance Based Awards	Construction, Remodeling, and Equipping Buildings
Cash and investments - beginning	\$ -	\$ 17,393	\$ -	\$ -	\$ (324)	\$ 8,237	\$ (1,286)	\$ (2,000)
Receipts:								
Local sources	-	55	-	-	-	-	-	3,041
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	26,640	-	16,981	-	4,367	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	7,067	-	-
Total receipts	-	55	26,640	-	16,981	7,067	4,367	3,041
Disbursements:								
Instruction	-	17,448	14,320	-	-	-	3,081	-
Support services	-	-	-	-	18,360	12,627	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	1,041
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	17,448	14,320	-	18,360	12,627	3,081	1,041
Excess (deficiency) of receipts over disbursements	-	(17,393)	12,320	-	(1,379)	(5,560)	1,286	2,000
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	-	(17,393)	12,320	-	(1,379)	(5,560)	1,286	2,000
Cash and investments - ending	\$ -	\$ -	\$ 12,320	\$ -	\$ (1,703)	\$ 2,677	\$ -	\$ -

BLUE RIVER VALLEY SCHOOLS
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	Westinghouse Grant	Preschool Tuition Fees	Title I 13-14	Title I 14-15	Title I 15-16	Coop Sp Ed Part B FY 14	Sp Ed Improvement 2012
Cash and investments - beginning	\$ 2,358	\$ 11,370	\$ (2,853)	\$ -	\$ -	\$ (6,309)	\$ -
Receipts:							
Local sources	-	19,798	-	-	-	-	-
Intermediate sources	-	5	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	64,008	196,670	-	12,975	-
Other receipts	-	-	-	-	-	-	500
Total receipts	-	19,803	64,008	196,670	-	12,975	500
Disbursements:							
Instruction	-	24,469	58,449	139,994	-	6,391	500
Support services	-	-	2,706	57,692	-	275	-
Noninstructional services	-	-	-	3,146	-	-	-
Facilities acquisition and construction	2,358	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	2,358	24,469	61,155	200,832	-	6,666	500
Excess (deficiency) of receipts over disbursements	(2,358)	(4,666)	2,853	(4,162)	-	6,309	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,358)	(4,666)	2,853	(4,162)	-	6,309	-
Cash and investments - ending	\$ -	\$ 6,704	\$ -	\$ (4,162)	\$ -	\$ -	\$ -

BLUE RIVER VALLEY SCHOOLS
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 For the Year Ended June 30, 2015

	Tech Assistance Grant FY14	Coop Sp Ed Part B FY15	Coop Sp Ed Part B FY16	Coop Sp Ed Preschool FY15	Coop Sp Ed Preschool FY16	Coop Sp Ed Preschool FY14	Title IIA FY13
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	602	120,813	606	-	-	1,243	88
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>602</u>	<u>120,813</u>	<u>606</u>	<u>-</u>	<u>-</u>	<u>1,243</u>	<u>88</u>
Disbursements:							
Instruction	602	127,002	606	1,596	-	1,362	88
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>602</u>	<u>127,002</u>	<u>606</u>	<u>1,596</u>	<u>-</u>	<u>1,362</u>	<u>88</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(6,189)</u>	<u>-</u>	<u>(1,596)</u>	<u>-</u>	<u>(119)</u>	<u>-</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>-</u>	<u>(6,189)</u>	<u>-</u>	<u>(1,596)</u>	<u>-</u>	<u>(119)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (6,189)</u>	<u>\$ -</u>	<u>\$ (1,596)</u>	<u>\$ -</u>	<u>\$ (119)</u>	<u>\$ -</u>

BLUE RIVER VALLEY SCHOOLS
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	Title IIA 12-14	Title IIA FY14	Rural Schools Achievement	Rural Schools and Low Income Program - Pass Through State	Rural Grant FY13	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (519)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,501,486
Receipts:							
Local sources	-	-	-	-	-	-	2,445,095
Intermediate sources	-	-	-	-	-	-	147
State sources	-	-	-	-	-	-	3,867,761
Federal sources	4,904	-	-	6,918	9,998	-	564,894
Other receipts	-	-	-	-	-	3,172,810	3,184,512
Total receipts	<u>4,904</u>	<u>-</u>	<u>-</u>	<u>6,918</u>	<u>9,998</u>	<u>3,172,810</u>	<u>10,062,409</u>
Disbursements:							
Instruction	-	-	-	-	-	-	2,887,772
Support services	4,385	-	-	5,630	9,998	-	2,377,417
Noninstructional services	-	-	-	1,288	-	-	381,540
Facilities acquisition and construction	-	-	-	-	-	-	204,634
Debt service	-	-	-	-	-	-	864,001
Interfund loans	-	-	-	-	-	3,158,110	3,158,110
Total disbursements	<u>4,385</u>	<u>-</u>	<u>-</u>	<u>6,918</u>	<u>9,998</u>	<u>3,158,110</u>	<u>9,873,474</u>
Excess (deficiency) of receipts over disbursements	<u>519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,700</u>	<u>188,935</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	3,120
Transfers in	-	-	-	-	-	-	330,000
Transfers out	-	-	-	-	-	-	(330,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,120</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,700</u>	<u>192,055</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,700</u>	<u>\$ 3,693,541</u>

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	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Barn Fire Replacement
Cash and investments - beginning	\$ 113,632	\$ 507,221	\$ 802,518	\$ 1,295,635	\$ 165,608	\$ 597,243	\$ -	\$ 3,228
Receipts:								
Local sources	12,885	938,385	549,349	611,514	94,970	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	3,843,069	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	410	-	-	-	-	-	-	-
Total receipts	<u>3,856,364</u>	<u>938,385</u>	<u>549,349</u>	<u>611,514</u>	<u>94,970</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Instruction	2,508,444	-	-	-	-	63,143	-	-
Support services	1,225,956	-	414,542	333,839	195,747	186,381	-	-
Noninstructional services	79,031	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	169,282	5,010	-	7,536	-	42
Debt service	-	888,000	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>3,813,431</u>	<u>888,000</u>	<u>583,824</u>	<u>338,849</u>	<u>195,747</u>	<u>257,060</u>	<u>-</u>	<u>42</u>
Excess (deficiency) of receipts over disbursements	<u>42,933</u>	<u>50,385</u>	<u>(34,475)</u>	<u>272,665</u>	<u>(100,777)</u>	<u>(257,060)</u>	<u>-</u>	<u>(42)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	293	-	-	-	-	-
Transfers in	-	-	-	-	-	290,000	-	-
Transfers out	-	-	-	(290,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>293</u>	<u>(290,000)</u>	<u>-</u>	<u>290,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>42,933</u>	<u>50,385</u>	<u>(34,182)</u>	<u>(17,335)</u>	<u>(100,777)</u>	<u>32,940</u>	<u>-</u>	<u>(42)</u>
Cash and investments - ending	<u>\$ 156,565</u>	<u>\$ 557,606</u>	<u>\$ 768,336</u>	<u>\$ 1,278,300</u>	<u>\$ 64,831</u>	<u>\$ 630,183</u>	<u>\$ -</u>	<u>\$ 3,186</u>

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	School Lunch	Textbook Rental	Repair and Replacement	Levy Excess	Educational License Plates	Early Intervention Grant	Miscellaneous Programs	Buddy Program
Cash and investments - beginning	\$ 41,055	\$ 122,448	\$ 3,641	\$ 14,281	\$ 2,463	\$ 500	\$ 1,361	\$ 75
Receipts:								
Local sources	134,557	23,755	-	-	-	-	-	-
Intermediate sources	-	-	-	-	56	-	-	-
State sources	3,639	20,529	-	-	-	-	-	-
Federal sources	151,231	-	-	-	-	-	-	-
Other receipts	132,465	-	-	-	-	-	-	-
Total receipts	421,892	44,284	-	-	56	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	179,260	67,851	3,641	-	-	-	-	-
Noninstructional services	283,687	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	462,947	67,851	3,641	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(41,055)	(23,567)	(3,641)	-	56	-	-	-
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	(41,055)	(23,567)	(3,641)	-	56	-	-	-
Cash and investments - ending	\$ -	\$ 98,881	\$ -	\$ 14,281	\$ 2,519	\$ 500	\$ 1,361	\$ 75

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	Formative Assessment	Teacher Quality Improvement Program	Tech Prep	Principal Leadership Academy	Secured Schools Safety Grant	School Technology	Performance Based Awards	Construction, Remodeling, and Equipping Buildings
Cash and investments - beginning	\$ -	\$ -	\$ 12,320	\$ -	\$ (1,703)	\$ 2,677	\$ -	\$ -
Receipts:								
Local sources	-	-	-	55	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	9,189	-	-	27,548	11,495	-	11,732	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	11,511	-	-
Total receipts	<u>9,189</u>	<u>-</u>	<u>-</u>	<u>27,603</u>	<u>11,495</u>	<u>11,511</u>	<u>11,732</u>	<u>-</u>
Disbursements:								
Instruction	-	-	12,320	19,946	-	-	10,898	-
Support services	2,252	-	-	-	24,633	11,782	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>2,252</u>	<u>-</u>	<u>12,320</u>	<u>19,946</u>	<u>24,633</u>	<u>11,782</u>	<u>10,898</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6,937</u>	<u>-</u>	<u>(12,320)</u>	<u>7,657</u>	<u>(13,138)</u>	<u>(271)</u>	<u>834</u>	<u>-</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>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,937</u>	<u>-</u>	<u>(12,320)</u>	<u>7,657</u>	<u>(13,138)</u>	<u>(271)</u>	<u>834</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,657</u>	<u>\$ (14,841)</u>	<u>\$ 2,406</u>	<u>\$ 834</u>	<u>\$ -</u>

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	Westinghouse Grant	Preschool Tuition Fees	Title I 13-14	Title I 14-15	Title I 15-16	Coop Sp Ed Part B FY 14	Sp Ed Improvement 2012
Cash and investments - beginning	\$ -	\$ 6,704	\$ -	\$ (4,162)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	24,896	524	-	-	-	-
Intermediate sources	-	503	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	24,095	159,640	1,852	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	25,399	524	24,095	159,640	1,852	-
Disbursements:							
Instruction	-	31,798	524	17,608	98,015	1,402	-
Support services	-	-	-	2,175	66,771	450	-
Noninstructional services	-	-	-	150	1,962	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	31,798	524	19,933	166,748	1,852	-
Excess (deficiency) of receipts over disbursements	-	(6,399)	-	4,162	(7,108)	-	-
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	-	(6,399)	-	4,162	(7,108)	-	-
Cash and investments - ending	\$ -	\$ 305	\$ -	\$ -	\$ (7,108)	\$ -	\$ -

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	Tech Assistance Grant FY14	Coop Sp Ed Part B FY15	Coop Sp Ed Part B FY16	Coop Sp Ed Preschool FY15	Coop Sp Ed Preschool FY16	Coop Sp Ed Preschool FY14	Title IIA FY13
Cash and investments - beginning	\$ -	\$ (6,189)	\$ -	\$ (1,596)	\$ -	\$ (119)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	16,967	134,986	2,100	1,596	133	16,541
Other receipts	-	-	-	-	-	-	-
Total receipts	-	16,967	134,986	2,100	1,596	133	16,541
Disbursements:							
Instruction	-	10,410	134,986	1,008	1,596	14	16,541
Support services	-	375	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	10,785	134,986	1,008	1,596	14	16,541
Excess (deficiency) of receipts over disbursements	-	6,182	-	1,092	-	119	-
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	-	6,182	-	1,092	-	119	-
Cash and investments - ending	\$ -	\$ (7)	\$ -	\$ (504)	\$ -	\$ -	\$ -

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

	Title IIA 12-14	Title IIA FY14	Rural Schools Achievement	Rural Schools and Low Income Program - Pass Through State	Rural Grant FY13	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,700	\$ 3,693,541
Receipts:							
Local sources	-	-	-	-	-	-	2,390,890
Intermediate sources	-	-	-	-	-	-	559
State sources	-	-	-	-	-	-	3,927,201
Federal sources	-	2,442	33,564	-	2,738	-	547,885
Other receipts	-	-	-	-	-	3,533,941	3,678,327
Total receipts	-	2,442	33,564	-	2,738	3,533,941	10,544,862
Disbursements:							
Instruction	-	-	33,564	-	-	-	2,962,217
Support services	-	2,590	-	-	2,738	-	2,720,983
Noninstructional services	-	-	-	-	-	-	364,830
Facilities acquisition and construction	-	-	-	-	-	-	181,870
Debt service	-	-	-	-	-	-	888,000
Interfund loans	-	-	-	-	-	3,533,940	3,533,940
Total disbursements	-	2,590	33,564	-	2,738	3,533,940	10,651,840
Excess (deficiency) of receipts over disbursements	-	(148)	-	-	-	1	(106,978)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	293
Transfers in	-	-	-	-	-	-	290,000
Transfers out	-	-	-	-	-	-	(290,000)
Total other financing sources (uses)	-	-	-	-	-	-	293
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(148)	-	-	-	1	(106,685)
Cash and investments - ending	\$ -	\$ (148)	\$ -	\$ -	\$ -	\$ 14,701	\$ 3,586,856

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BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 23,277</u>	<u>\$ 22,608</u>

BLUE RIVER VALLEY SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
LEAF Capital Funding	Equipment	\$ 3,828	9/15/2014	9/14/2018
Marlin Leasing Corp.	Equipment	4,224	8/14/2014	8/13/2018
Blue River Valley School Building Corporation	Building	<u>888,000</u>	12/9/2002	6/30/2023
Total governmental activities		<u>896,052</u>		
Total of annual lease payments		<u><u>\$ 896,052</u></u>		

BLUE RIVER VALLEY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 566,200
Buildings	16,533,863
Improvements other than buildings	917,536
Machinery, equipment, and vehicles	<u>3,354,836</u>
Total governmental activities	<u>21,372,435</u>
Total capital assets	<u><u>\$ 21,372,435</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF BLUE RIVER VALLEY SCHOOLS, HENRY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, and 2016-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


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

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 2016-001, 2016-002, 2016-003, 2016-004, and 2016-005 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			2014-2015	\$ -	\$ 24,203	\$ -	\$ -
School Breakfast			2015-2016	-	-	-	24,520
Total - School Breakfast Program				-	24,203	-	24,520
National School Lunch Program							
School Lunch	Indiana Department of Education	10.555					
School Lunch			2014-2015	-	121,866	-	-
School Lunch			2015-2016	-	-	-	126,711
Commodities			2014-2015	-	19,412	-	-
Commodities			2015-2016	-	-	-	18,073
Total - National School Lunch Program				-	141,278	-	144,784
Total - Child Nutrition Cluster				-	165,481	-	169,304
Total - Department of Agriculture				-	165,481	-	169,304
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Sp Ed Part B 13-14			14214-093-PN01	-	12,975	-	-
Sp Ed Part B 13-14			14214-093-PN01	-	-	-	1,852
Sp Ed Part B 14-15			14215-093-PN01	-	120,813	-	-
Sp Ed Part B 14-15			14215-093-PN01	-	-	-	16,967
Sp Ed Part B FY13			14213-093-PN01	-	606	-	-
Sp Ed Part B 15-16			14216-086-PN01	-	-	-	134,986
Tech Assist Grant			99914-093-PN01	-	602	-	-
Sp Ed Improve 2012			A58-3-13DL-0063	-	500	-	-
Total - Special Education Grants to States				-	135,496	-	153,805
Special Education Preschool Grants							
Coop Preschool 13-14	Indiana Department of Education	84.173					
Coop Preschool 13-14			45714-093-PN01	-	1,243	-	-
Coop Preschool 13-14			45714-093-PN01	-	-	-	133
Coop Preschool 14-15			45715-093-PN01	-	-	-	2,100
Coop Preschool 15-16			45716-086-PN01	-	-	-	1,596
Total - Special Education Preschool Grants				-	1,243	-	3,829
Total - Special Education Cluster (IDEA)				-	1,243	-	3,829

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 13-14			14-3405	-	64,008	-	-
Title I 13-14			14-3405	-	-	-	524
Title I 14-15			15-3405	-	196,670	-	-
Title I 14-15			15-3405	-	-	-	24,095
Title I 15-16			16-3405	-	-	-	159,640
Total - Title I Grants to Local Educational Agencies				<u>-</u>	<u>260,678</u>	<u>-</u>	<u>184,259</u>
Rural Education	Indiana Department of Education	84.358					
Title VI Part B			S358B0160014	-	6,918	-	-
Title VI Part B			3405	-	9,998	-	-
Title VI Part B			3405	-	-	-	2,738
Sm Rural School	Direct		S358A148420	-	-	-	33,564
Total - Rural Education				<u>-</u>	<u>16,916</u>	<u>-</u>	<u>36,302</u>
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIA FY12			12-3405	-	4,904	-	-
Title IIA FY13			13-3405	-	88	-	-
Title IIA FY13			13-3405	-	-	-	16,541
Title IIA FY14			14-3405	-	-	-	2,442
Total - Supporting Effective Instruction State Grants				<u>-</u>	<u>4,992</u>	<u>-</u>	<u>18,983</u>
Total - Department of Education				<u>-</u>	<u>419,325</u>	<u>-</u>	<u>397,178</u>
Total federal awards expended				<u>\$ -</u>	<u>\$ 584,806</u>	<u>\$ -</u>	<u>\$ 566,482</u>

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

BLUE RIVER VALLEY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

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

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title I - Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 2014-2015, 2015-2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP),
Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report related to the Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements. The prior audit finding number was 2014-001.

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, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Cash Management

The School Corporation had not established procedures to ensure that the School Lunch fund cash balances were less than or equal to the three months average expenditures.

Eligibility

The principal of each school calculated student eligibility determinations based on Free and Reduced Price Applications without an oversight, review, or approval process.

Reporting

Monthly sponsor claims were prepared and submitted by the elementary and junior/senior high school treasurers without an oversight, review, or approval process.

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

The elementary and junior/senior high school treasurers selected applications to be verified and completed the Free and Reduced Price Application verifications without an oversight, review, or approval process.

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The Food Service Director computed the paid lunch equity calculation without an oversight, review, or approval process.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NLSP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Questioned Costs

There were no questioned costs identified.

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Child Nutrition Cluster - Program Income

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): 2014-2015, 2015-2016

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Findings: Material Weakness, Other Matters

Repeat Finding

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

Condition

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded in the financial records and properly reported. Due to the lack of controls, the amounts reported for program income were overstated for both years of the audit period.

Context

The lack of controls and noncompliance were systemic issues, which occurred 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. . . ."

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(c) states:

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

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

7 CFR 225.6(e) states in part:

"State-Sponsor Agreement. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2016-003

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 2014-2015, 2015-2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

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

Condition

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

The School Corporation did not have procedures in place to verify that all vendors were not suspended or debarred. The School Corporation did not verify that milk vendors used during the audit period were not suspended or debarred.

Context

The lack of controls and noncompliance were systemic issues, which occurred 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. . . ."

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 180.300 states:

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

You do this by:

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

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2016-004

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-3405, 15-3405, 16-3405
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Assessment System Security
Audit Findings: Material Weakness; Other Matters

Condition

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

The School Corporation did not adopt a locally developed written test security policy.

Context

The lack of controls and noncompliance were systemic issues, which occurred 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). . . ."

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

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Assessment Program Manual, Chapter 13, Section 9, Part D states in part:

"Required local test security policy. Every school corporation, public school, charter school, accredited nonpublic school, Choice school, or other test administration location that administers tests under the Indiana Assessment System **MUST** have a locally developed written test security policy. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Assessment System Security compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

Views of Responsible Officials

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

FINDING 2016-005

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-3405, 15-3405, 16-3405
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition

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

The Treasurer prepared and submitted the Final Annual Expenditure reports without an oversight, review, or approval process.

BLUE RIVER VALLEY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

Blue River Valley School Corporation

303 South Walnut Street PO Box 217 Mount Summit, IN 47361

Eric L. Creviston
Superintendent

Telephone (765) 836-4816

FAX (765) 836-4817

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001 – INTERNAL CONTROLS OVER SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM

Fiscal year in which the finding initially occurred: FY 2013

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

Contact Person Responsible for Corrective Action: **Eric Creviston**, Superintendent

Contact Phone Number: 765-836-4816

1. All documentation will be kept together: **Completed**
2. A separate fund will be established for pre-pay accounts: **Completed**
3. School Board will approve food bids / vendors and large equipment purchases. When we unexpectedly changed Food Service directors we continued food contracts until we began the process to move to a Food Service management company. The board approved the FSMC bid from Chartwells and will approve large equipment purchases, as needed, in compliance with the procurement policy, Policy 6171
4. Extra-curricular treasurers at the end of each month will submit expenditures / receipt reports to the cafeteria manager to review and approve. This is the standard practice now. **Completed**
5. **Previously**, free and reduced lunch applications went to **the principals** and then were double-checked by school treasurers. **Currently**, treasurers receive and record the applications, which are forwarded to the school FSMC manager for processing, and then sent to the area FSMC manager for review. **Completed**



Eric L. Creviston, Superintendent

Blue River Valley School Corporation

School Board Members

John Cross
Wayne Jacobs
Brian Koontz
Mysia Brown
Jon Madison

Corporation Attorney
Greg L. Crider

Central Office Staff
Beth King, Director of Federal Programs
Kim Riley, Corporation Treasurer
Stephanie Morgan, Secretary

Blue River Valley School Corporation

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Eric L. Creviston
Superintendent

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FAX (765) 836-4817

BLUE RIVER VALLEY SCHOOLS SCHEDULE OF FINDINGS AND QUESTIONED COSTS CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Eric L. Creviston
Contact Phone Number: 765-836-4816


Views of Responsible Official: Effective Internal Control systems were not established.

Views of School Official: We concur with the finding.

Description of Corrective Action Plan:

1. New Internal Control systems have been established and will be monitored at both the building and corporation level in cooperation with our FSMC, Chartwells.
2. Training will be conducted on systems of controls outlined in our Internal Controls document.
3. School treasurers will work with the FSMC in order to ensure adequate training and appropriate oversight and backup.
4. Building principals will initial treasurer's work that they have examined work for apparent correctness.
5. Eligibility will be determined and verified by the FSMC examiner and will be reviewed by a supervisor.

Anticipated Completion Date: July 2018



(Signature)

Treasurer

(Title)

6/11/2018

(Date)

School Board Members
Jon Madison
John Cross
Mysia Brown
Brian Koontz
Mike Reynolds

Corporation Attorney
Greg L. Crider

Central Office Staff
Beth King, Director of Curriculum and Learning
Kim Riley, Corporation Treasurer
Stephanie Morgan, Secretary

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Eric L. Creviston
Superintendent

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CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Eric L. Creviston
Contact Phone Number: 765-836-4816

Views of Responsible Official: Effective Internal Control systems were not established.

Views of School Official: We concur with the finding.

Description of Corrective Action Plan:

1. New Internal Control systems have been established and will be monitored at both the building and corporation level in cooperation with our FSMC, Chartwells.
2. Training will be recorded by the FSMC
3. School treasurers will work with the FSMC in order to ensure adequate training and appropriate oversight.
4. Eligibility will be determined and verified by the FSMC examiner and will be reviewed by a supervisor.

Anticipated Completion Date: July 2018



(Signature)

Treasurer

(Title)

6/11/2018

(Date)

School Board Members
Jon Madison
John Cross
Mysia Brown
Brian Koontz
Mike Reynolds

Corporation Attorney
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Beth King, Director of Curriculum and Learning
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Eric L. Creviston
Superintendent

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CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Eric L. Creviston
Contact Phone Number: 765-836-4816

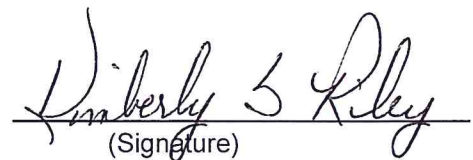
Views of Responsible Official: Effective Internal Control systems were not established.

Views of School Official: We concur with the finding.

Description of Corrective Action Plan:

1. New Internal Control systems have been established that will ensure that vendors are checked for SAM disbarments and suspensions and/or checking for certification at the corporation level.
2. Training will be conducted on systems of controls outlined in our Internal Controls document.
3. School treasurers will work with the Corporation Treasurer to ensure compliance.
4. Eligibility will be determined and verified by the FSMC examiner or corporation treasurer and will be reviewed by a supervisor.

Anticipated Completion Date: July 2018


(Signature)

Treasurer
(Title)

6/11/2018
(Date)

School Board Members
Jon Madison
John Cross
Mysia Brown
Brian Koontz
Mike Reynolds

Corporation Attorney
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CORRECTIVE ACTION PLAN

FINDING 2016-004 (Title I)

Contact Person Responsible for Corrective Action: Eric L. Creviston
Contact Phone Number: 765-836-4816

Views of Responsible Official: Effective Internal Control systems were not established.

Views of School Official: We concur with the finding

Description of Corrective Action Plan: Completed

The Blue River Valley Board of School Trustees adopted a locally developed written test security plan in May 2018.

Completion Date: May 14 2018

Kimberly S Riley
(Signature)

Treasurer
(Title)

6/11/2018
(Date)

School Board Members

Jon Madison
John Cross
Mysia Brown
Brian Koontz
Mike Reynolds

Corporation Attorney

Greg L. Crider

Central Office Staff

Beth King, Director of Curriculum and Learning
Kim Riley, Corporation Treasurer
Stephanie Morgan, Secretary

Blue River Valley School Corporation

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Eric L. Creviston
Superintendent

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FAX (765) 836-4817

CORRECTIVE ACTION PLAN

FINDING 2016-005 Title I

Contact Person Responsible for Corrective Action:
Contact Phone Number:

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Auditee has developed Internal controls, including segregation of duties, that will include compliance with federal program laws and regulations.

Anticipated Completion Date

Kimberly S Riley
(Signature)

Treasurer
(Title)

6/11/2018
(Date)

School Board Members
Jon Madison
John Cross
Mysia Brown
Brian Koontz
Mike Reynolds

Corporation Attorney
Greg L. Crider

Central Office Staff
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Kim Riley, Corporation Treasurer
Stephanie Morgan, Secretary

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/>.