

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
CLARK COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
09/27/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-33
Schedule of Payables and Receivables	35
Schedule of Leases and Debt	36
Schedule of Capital Assets.....	37
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	40-42
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	44-45
Notes to Schedule of Expenditures of Federal Awards	46
Schedule of Findings and Questioned Costs	47-67
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	70-73
Corrective Action Plan	74-80
Other Reports.....	81

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Judith N. Sanderson Christi Pruitt	07-01-14 to 05-03-15 05-04-15 to 12-31-18
Superintendent of Schools	Dr. Kimberly Knott Tina Bennett	07-01-14 to 04-02-17 04-03-17 to 06-30-20
President of the School Board	William P. Wilson	07-01-14 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 6, 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

September 6, 2018



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Clarksville Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 6, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Clarksville Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

September 6, 2018

(This page intentionally left blank.)

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

(This page intentionally left blank.)

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 2,745,974	\$ 10,075,563	\$ 9,804,249	\$ -	\$ 3,017,288	\$ 9,905,901	\$ 10,021,282	\$ 103,455	\$ 3,005,362
Debt Service	1,440,025	2,944,098	2,790,422	-	1,593,701	2,681,193	3,095,440	-	1,179,454
Retirement/Severance Bond Debt Service	179,269	348,580	350,725	-	177,124	273,359	320,652	-	129,831
Capital Projects	216,284	1,243,361	487,681	-	971,964	1,242,166	1,050,664	(200,000)	963,466
School Transportation	691,369	402,654	640,722	(50,000)	403,301	455,288	597,266	1,601	262,924
School Bus Replacement	298,504	48,628	-	(100,000)	247,132	73,779	137,538	-	183,373
Rainy Day	2,315,616	3,358	2,072,692	150,000	396,282	62,002	198,244	200,000	460,040
Retirement/Severance Bond	26,384	-	-	-	26,384	-	-	-	26,384
CMS 2013 Construction	1,454,948	-	397,710	-	1,057,238	-	556,292	-	500,946
CES 2013 Construction	1,524,733	-	157,344	-	1,367,389	-	602,695	-	764,694
School Lunch	243,741	724,329	833,530	-	134,540	724,972	719,029	-	140,483
Textbook Rental	7,681	117,927	(122,971)	-	248,579	410,215	149,603	-	509,191
Levy Excess	-	-	-	-	-	1,601	-	(1,601)	-
Educational License Plates	938	262	-	-	1,200	169	-	-	1,369
Alternative Education	1,628	-	-	-	1,628	-	-	-	1,628
Showcase Donations	-	-	-	-	-	1,000	988	-	12
WHAS Crusade for Children Grant	-	-	-	-	-	6,929	6,929	-	-
Miscellaneous Programs	36	9,124	7,538	-	1,622	-	-	-	1,622
Medicaid Reimbursement	88,311	9,405	-	-	97,716	8,370	-	(102,729)	3,357
Secured Schools Safety Grant	-	19,000	19,000	-	-	24,000	73,672	-	(49,672)
FY 2012 NESP Grant	(168)	-	-	-	(168)	-	-	168	-
FY 2014 NESP Grant	108	-	100	-	8	-	-	(8)	-
FY 2015 NESP Grant	-	4,306	2,570	-	1,736	106	1,737	(105)	-
2015-2016 NESP Grant	-	-	-	-	-	11,441	11,441	-	-
Non-English Speaking PGM/08-09	55	-	-	-	55	-	-	(55)	-
Connectivity Grant 2015-16	-	-	-	-	-	4,404	3,900	-	504
Title I FY 2014	(21,336)	103,601	82,265	-	-	-	-	-	-
Title I-FY 2015/#10-1000	-	244,039	267,844	-	(23,805)	74,790	50,985	-	-
Title I 2015/16	-	-	-	-	-	212,828	241,688	-	(28,860)
FY 2014 McKinney-Vento Grant	-	-	-	-	-	15,000	-	-	-
FY 2015 McKinney-Vento Grant	-	-	-	-	-	528	528	-	-
Part B/611 FY 2013	(868)	10,735	9,867	-	-	-	-	-	-
FY 2014 Part B/611	-	40,777	58,445	-	(17,668)	40,368	22,700	-	-
Spec Ed FY 2015 611 Carryover	-	-	-	-	-	36,936	37,463	-	(527)
Special Education Improvement Grants	726	-	-	-	726	-	-	(726)	-
Spec Ed Technical Assistance Grant	-	-	-	-	-	8,268	8,268	-	-
Spec Ed Preschool FY 14 Part B	-	-	-	-	-	5,062	5,062	-	-
FY 2015 Sec 619 Spec Ed Presch	-	-	-	-	-	7,934	9,781	-	(1,847)
Medicaid Reimbursement - Federal	91,874	17,488	3,732	-	105,630	16,681	8,002	-	114,309
Title II Part A Grant FY 2012	(17,596)	47,645	30,049	-	-	-	-	-	-
FY 2013 Title II/Part A Grant	-	17,160	17,925	-	(765)	56,795	56,030	-	-
Title II/A FFY 2014	-	-	-	-	-	25,244	31,030	-	(5,786)
Title III Grant 2015-2017	-	-	-	-	-	1,528	1,528	-	-
Teacher Incentive TAP YR 3	(9,411)	-	-	-	(9,411)	9,411	-	-	-
Teacher Incentive TAP YR 4	(17,019)	162,951	145,932	-	-	-	-	-	-
YR 5/Teacher Incentive-TAP	-	168,323	183,997	-	(15,674)	162,759	147,085	-	-
Payroll Withholdings	62,719	2,209,811	2,210,050	-	62,480	2,318,278	2,329,768	-	50,990
Prepaid Food Pass-Thru	1,752	168,149	169,232	-	669	177,237	176,208	-	1,698
Totals	\$ 11,326,277	\$ 19,141,274	\$ 20,620,650	\$ -	\$ 9,846,901	\$ 19,056,542	\$ 20,688,498	\$ -	\$ 8,214,945

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Disbursements

The financial statement contains some disbursements which appear as a negative entry. This is a result of transferring textbook rental expenditures to the Debt Service Fund rather than transferring the Debt Service Fund revenue to the Textbook Rental Fund.

Note 8. Cash Balance Deficits

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

Note 9. Holding Corporation

The School Corporation has entered into capital leases with Clarksville High 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 school years 2015 and 2016 totaled \$2,607,000 and \$2,790,000, respectively.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 10. Subsequent Events

The School Corporation entered into a lease agreement with the Renaissance Academy Building Corporation. The debt is for \$1,965,000 for the purpose of purchasing real estate and renovations. The lease was approved on October 20, 2016, and will be paid from July 15, 2017 to January 15, 2027.

The School Corporation entered into a General Obligation Bond for \$1,985,000 for the purpose of renovations; additions to the High School, Middle School, Elementary School; and upgrades to various facilities. The bond was approved on October 20, 2016, and will be paid from July 15, 2017 to January 15, 2026.

The School Corporation entered into a lease agreement with Clarksville High School Building Corporation (the lessor). The debt is for \$3,295,000 for the purpose of purchasing HVAC and general school facility improvements. The lease was approved on May 8, 2018, and will be paid from July 15, 2020 to January 15, 2025. Interest through January 15, 2020 will be capitalized and paid with the 2018 bond proceeds.

The School Corporation awarded the Clarksville Middle School HVAC Project to Koch Mechanical of North Vernon, Indiana, at a cost of \$2,408,100 on June 7, 2018. The School Corporation will use the money it receives from the Building Corporation to pay the costs of (i) the general improvement, renovation, upgrade and/or replacement of all or any portion of the existing heating and air conditioning system at the Clarksville Middle School and other interior renovations and improvements at such facility, other general renovation, upgrade, repair or equipping projects at any facilities operated by the School Corporation and any projects related to any of such improvement, renovation, upgrade, and equipping project, and (ii) issuing the 2018 Bonds and all cost related thereto (clauses (i) and (ii), collectively, the "2018 Middle School Project" or the "2018 Project").

(This page intentionally left blank.)

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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 2,745,974	\$ 1,440,025	\$ 179,269	\$ 216,284	\$ 691,369	\$ 298,504	\$ 2,315,616
Receipts:							
Local sources	99,159	2,944,098	348,580	1,235,829	388,746	48,628	-
Intermediate sources	2	-	-	-	-	-	-
State sources	9,976,402	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	7,532	13,908	-	3,358
Total receipts	10,075,563	2,944,098	348,580	1,243,361	402,654	48,628	3,358
Disbursements:							
Instruction	5,829,408	-	-	-	-	-	-
Support services	3,671,181	177,772	-	320,890	638,309	-	111,147
Noninstructional services	72,473	-	-	-	-	-	-
Facilities acquisition and construction	231,187	-	-	166,430	2,413	-	1,961,545
Debt service	-	2,612,650	350,725	361	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	9,804,249	2,790,422	350,725	487,681	640,722	-	2,072,692
Excess (deficiency) of receipts over disbursements	271,314	153,676	(2,145)	755,680	(238,068)	48,628	(2,069,334)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	150,000
Transfers out	-	-	-	-	(50,000)	(100,000)	-
Total other financing sources (uses)	-	-	-	-	(50,000)	(100,000)	150,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	271,314	153,676	(2,145)	755,680	(288,068)	(51,372)	(1,919,334)
Cash and investments - ending	\$ 3,017,288	\$ 1,593,701	\$ 177,124	\$ 971,964	\$ 403,301	\$ 247,132	\$ 396,282

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

	Retirement/ Severance Bond	CMS 2013 Construction	CES 2013 Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 26,384	\$ 1,454,948	\$ 1,524,733	\$ 243,741	\$ 7,681	\$ -	\$ 938
Receipts:							
Local sources	-	-	-	185,426	39,359	-	-
Intermediate sources	-	-	-	-	-	-	262
State sources	-	-	-	4,101	78,568	-	-
Federal sources	-	-	-	534,802	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	724,329	117,927	-	262
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	457	(122,971)	-	-
Noninstructional services	-	-	-	833,073	-	-	-
Facilities acquisition and construction	-	397,710	157,344	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	397,710	157,344	833,530	(122,971)	-	-
Excess (deficiency) of receipts over disbursements	-	(397,710)	(157,344)	(109,201)	240,898	-	262
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(397,710)	(157,344)	(109,201)	240,898	-	262
Cash and investments - ending	\$ 26,384	\$ 1,057,238	\$ 1,367,389	\$ 134,540	\$ 248,579	\$ -	\$ 1,200

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

	Alternative Education	Showcase Donations	WHAS Crusade for Children Grant	Miscellaneous Programs	Medicaid Reimbursement	Secured Schools Safety Grant	FY 2012 NESP Grant
Cash and investments - beginning	\$ 1,628	\$ -	\$ -	\$ 36	\$ 88,311	\$ -	\$ (168)
Receipts:							
Local sources	-	-	-	9,124	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	9,405	19,000	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	9,124	9,405	19,000	-
Disbursements:							
Instruction	-	-	-	6,874	-	-	-
Support services	-	-	-	-	-	19,000	-
Noninstructional services	-	-	-	664	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	7,538	-	19,000	-
Excess (deficiency) of receipts over disbursements	-	-	-	1,586	9,405	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	1,586	9,405	-	-
Cash and investments - ending	\$ 1,628	\$ -	\$ -	\$ 1,622	\$ 97,716	\$ -	\$ (168)

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

	FY 2014 NESP Grant	FY'2015 NESP Grant	2015-2016 NESP Grant	Non-English Speaking PGM/08-09	Connectivity Grant 2015-16	Title I FY 2014	Title I-FY'2015/ #10-1000
Cash and investments - beginning	\$ 108	\$ -	\$ -	\$ 55	\$ -	\$ (21,336)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	4,306	-	-	-	-	-
Federal sources	-	-	-	-	-	103,601	244,039
Other receipts	-	-	-	-	-	-	-
Total receipts	-	4,306	-	-	-	103,601	244,039
Disbursements:							
Instruction	-	-	-	-	-	38,167	180,338
Support services	100	2,464	-	-	-	41,612	84,888
Noninstructional services	-	106	-	-	-	2,486	2,618
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	100	2,570	-	-	-	82,265	267,844
Excess (deficiency) of receipts over disbursements	(100)	1,736	-	-	-	21,336	(23,805)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(100)	1,736	-	-	-	21,336	(23,805)
Cash and investments - ending	\$ 8	\$ 1,736	\$ -	\$ 55	\$ -	\$ -	\$ (23,805)

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

	Title I 2015/16	FY 2014 McKinney-Vento Grant	FY 2015 McKinney-Vento Grant	Part B/611 FY 2013	FY 2014 Part B/611	Spec Ed FY 2015 611 Carryover	Special Education Improvement Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (868)	\$ -	\$ -	\$ 726
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	10,735	40,777	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	10,735	40,777	-	-
Disbursements:							
Instruction	-	-	-	9,867	51,299	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	7,146	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	9,867	58,445	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	868	(17,668)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	868	(17,668)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (17,668)	\$ -	\$ 726

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

	Spec Ed Technical Assistance Grant	Spec Ed Preschool FY 14 Part B	FY 2015 Sec 619 Spec Ed Presch	Medicaid Reimbursement - Federal	Title II Part A Grant FY 2012	FY'2013 Title II/ Part A Grant	Title II/A FFY 2014
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 91,874	\$ (17,596)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	17,488	47,645	17,160	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	17,488	47,645	17,160	-
Disbursements:							
Instruction	-	-	-	3,547	-	-	-
Support services	-	-	-	-	30,049	17,925	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	185	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	3,732	30,049	17,925	-
Excess (deficiency) of receipts over disbursements	-	-	-	13,756	17,596	(765)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	13,756	17,596	(765)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 105,630	\$ -	\$ (765)	\$ -

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

	Title III Grant 2015-2017	Teacher Incentive TAP YR 3	Teacher Incentive TAP YR 4	YR 5/ Teacher Incentive -TAP	Payroll Withholdings	Prepaid Food Pass-Thru	Totals
Cash and investments - beginning	\$ -	\$ (9,411)	\$ (17,019)	\$ -	\$ 62,719	\$ 1,752	\$ 11,326,277
Receipts:							
Local sources	-	-	-	-	-	-	5,298,949
Intermediate sources	-	-	-	-	-	-	264
State sources	-	-	-	-	-	-	10,091,782
Federal sources	-	-	162,951	168,323	-	-	1,347,521
Other receipts	-	-	-	-	2,209,811	168,149	2,402,758
Total receipts	-	-	162,951	168,323	2,209,811	168,149	19,141,274
Disbursements:							
Instruction	-	-	118,610	178,637	-	-	6,416,747
Support services	-	-	27,322	5,360	-	-	5,025,505
Noninstructional services	-	-	-	-	-	-	918,566
Facilities acquisition and construction	-	-	-	-	-	-	2,916,814
Debt service	-	-	-	-	-	-	2,963,736
Nonprogrammed charges	-	-	-	-	2,210,050	169,232	2,379,282
Total disbursements	-	-	145,932	183,997	2,210,050	169,232	20,620,650
Excess (deficiency) of receipts over disbursements	-	-	17,019	(15,674)	(239)	(1,083)	(1,479,376)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	150,000
Transfers out	-	-	-	-	-	-	(150,000)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	17,019	(15,674)	(239)	(1,083)	(1,479,376)
Cash and investments - ending	\$ -	\$ (9,411)	\$ -	\$ (15,674)	\$ 62,480	\$ 669	\$ 9,846,901

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 3,017,288	\$ 1,593,701	\$ 177,124	\$ 971,964	\$ 403,301	\$ 247,132	\$ 396,282
Receipts:							
Local sources	332,688	2,681,193	273,359	1,233,581	450,866	73,779	62,002
Intermediate sources	2	-	-	-	-	-	-
State sources	9,573,211	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	8,585	4,422	-	-
Total receipts	9,905,901	2,681,193	273,359	1,242,166	455,288	73,779	62,002
Disbursements:							
Instruction	6,190,041	-	-	-	-	-	-
Support services	3,643,355	298,540	-	585,299	599,512	137,538	235,566
Noninstructional services	77,288	-	-	-	-	-	-
Facilities acquisition and construction	110,598	-	-	411,387	(2,246)	-	(37,322)
Debt service	-	2,796,900	320,652	53,978	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	10,021,282	3,095,440	320,652	1,050,664	597,266	137,538	198,244
Excess (deficiency) of receipts over disbursements	(115,381)	(414,247)	(47,293)	191,502	(141,978)	(63,759)	(136,242)
Other financing sources (uses):							
Transfers in	103,455	-	-	-	1,601	-	200,000
Transfers out	-	-	-	(200,000)	-	-	-
Total other financing sources (uses)	103,455	-	-	(200,000)	1,601	-	200,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,926)	(414,247)	(47,293)	(8,498)	(140,377)	(63,759)	63,758
Cash and investments - ending	\$ 3,005,362	\$ 1,179,454	\$ 129,831	\$ 963,466	\$ 262,924	\$ 183,373	\$ 460,040

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

	Retirement/ Severance Bond	CMS 2013 Construction	CES 2013 Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 26,384	\$ 1,057,238	\$ 1,367,389	\$ 134,540	\$ 248,579	\$ -	\$ 1,200
Receipts:							
Local sources	-	-	-	196,941	42,211	1,601	-
Intermediate sources	-	-	-	-	-	-	169
State sources	-	-	-	4,620	368,004	-	-
Federal sources	-	-	-	523,411	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	724,972	410,215	1,601	169
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	866	149,603	-	-
Noninstructional services	-	-	-	718,163	-	-	-
Facilities acquisition and construction	-	556,292	602,695	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	556,292	602,695	719,029	149,603	-	-
Excess (deficiency) of receipts over disbursements	-	(556,292)	(602,695)	5,943	260,612	1,601	169
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,601)	-
Total other financing sources (uses)	-	-	-	-	-	(1,601)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(556,292)	(602,695)	5,943	260,612	-	169
Cash and investments - ending	\$ 26,384	\$ 500,946	\$ 764,694	\$ 140,483	\$ 509,191	\$ -	\$ 1,369

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

	Alternative Education	Showcase Donations	WHAS Crusade for Children Grant	Miscellaneous Programs	Medicaid Reimbursement	Secured Schools Safety Grant	FY 2012 NESP Grant
Cash and investments - beginning	\$ 1,628	\$ -	\$ -	\$ 1,622	\$ 97,716	\$ -	\$ (168)
Receipts:							
Local sources	-	1,000	-	-	-	-	-
Intermediate sources	-	-	6,929	-	-	-	-
State sources	-	-	-	-	8,370	24,000	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	1,000	6,929	-	8,370	24,000	-
Disbursements:							
Instruction	-	-	6,929	-	-	-	-
Support services	-	988	-	-	-	73,672	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	988	6,929	-	-	73,672	-
Excess (deficiency) of receipts over disbursements	-	12	-	-	8,370	(49,672)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	168
Transfers out	-	-	-	-	(102,729)	-	-
Total other financing sources (uses)	-	-	-	-	(102,729)	-	168
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12	-	-	(94,359)	(49,672)	168
Cash and investments - ending	\$ 1,628	\$ 12	\$ -	\$ 1,622	\$ 3,357	\$ (49,672)	\$ -

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

	FY 2014 NESP Grant	FY'2015 NESP Grant	2015-2016 NESP Grant	Non-English Speaking PGM/08-09	Connectivity Grant 2015-16	Title I FY 2014	Title I-FY'2015/ #10-1000
Cash and investments - beginning	\$ 8	\$ 1,736	\$ -	\$ 55	\$ -	\$ -	\$ (23,805)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	106	11,441	-	4,404	-	-
Federal sources	-	-	-	-	-	-	74,790
Other receipts	-	-	-	-	-	-	-
Total receipts	-	106	11,441	-	4,404	-	74,790
Disbursements:							
Instruction	-	-	11,441	-	-	-	48,222
Support services	-	1,693	-	-	3,900	-	2,763
Noninstructional services	-	44	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	1,737	11,441	-	3,900	-	50,985
Excess (deficiency) of receipts over disbursements	-	(1,631)	-	-	504	-	23,805
Other financing sources (uses):							
Transfers in	-	63	-	-	-	-	-
Transfers out	(8)	(168)	-	(55)	-	-	-
Total other financing sources (uses)	(8)	(105)	-	(55)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8)	(1,736)	-	(55)	504	-	23,805
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 504	\$ -	\$ -

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

	Title I 2015/16	FY 2014 McKinney-Vento Grant	FY 2015 McKinney-Vento Grant	Part B/611 FY 2013	FY'2014 Part B/611	Spec Ed FY 2015 611 Carryover	Special Education Improvement Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (17,668)	\$ -	\$ 726
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	212,828	15,000	528	-	40,368	36,936	-
Other receipts	-	-	-	-	-	-	-
Total receipts	212,828	15,000	528	-	40,368	36,936	-
Disbursements:							
Instruction	154,497	15,000	528	-	17,430	31,418	-
Support services	85,398	-	-	-	-	-	-
Noninstructional services	1,793	-	-	-	5,270	6,045	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	241,688	15,000	528	-	22,700	37,463	-
Excess (deficiency) of receipts over disbursements	(28,860)	-	-	-	17,668	(527)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(726)
Total other financing sources (uses)	-	-	-	-	-	-	(726)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,860)	-	-	-	17,668	(527)	(726)
Cash and investments - ending	\$ (28,860)	\$ -	\$ -	\$ -	\$ -	\$ (527)	\$ -

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

	Spec Ed Technical Assistance Grant	Spec Ed Preschool FY 14 Part B	FY 2015 Sec 619 Spec Ed Presch	Medicaid Reimbursement - Federal	Title II Part A Grant FY 2012	FY'2013 Title II/ Part A Grant	Title II/A FFY 2014
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 105,630	\$ -	\$ (765)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	8,268	5,062	7,934	16,681	-	56,795	25,244
Other receipts	-	-	-	-	-	-	-
Total receipts	8,268	5,062	7,934	16,681	-	56,795	25,244
Disbursements:							
Instruction	-	5,062	9,781	7,877	-	-	-
Support services	8,268	-	-	125	-	56,030	31,030
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	8,268	5,062	9,781	8,002	-	56,030	31,030
Excess (deficiency) of receipts over disbursements	-	-	(1,847)	8,679	-	765	(5,786)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,847)	8,679	-	765	(5,786)
Cash and investments - ending	\$ -	\$ -	\$ (1,847)	\$ 114,309	\$ -	\$ -	\$ (5,786)

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

	Title III Grant 2015-2017	Teacher Incentive TAP YR 3	Teacher Incentive TAP YR 4	YR 5/ Teacher Incentive -TAP	Payroll Withholdings	Prepaid Food Pass-Thru	Totals
Cash and investments - beginning	\$ -	\$ (9,411)	\$ -	\$ (15,674)	\$ 62,480	\$ 669	\$ 9,846,901
Receipts:							
Local sources	-	-	-	-	-	-	5,349,221
Intermediate sources	-	-	-	-	-	-	7,100
State sources	-	-	-	-	-	-	9,994,156
Federal sources	1,528	9,411	-	162,759	-	-	1,197,543
Other receipts	-	-	-	-	2,318,278	177,237	2,508,522
Total receipts	1,528	9,411	-	162,759	2,318,278	177,237	19,056,542
Disbursements:							
Instruction	1,528	-	-	128,140	-	-	6,627,894
Support services	-	-	-	18,945	-	-	5,933,091
Noninstructional services	-	-	-	-	-	-	808,603
Facilities acquisition and construction	-	-	-	-	-	-	1,641,404
Debt service	-	-	-	-	-	-	3,171,530
Nonprogrammed charges	-	-	-	-	2,329,768	176,208	2,505,976
Total disbursements	1,528	-	-	147,085	2,329,768	176,208	20,688,498
Excess (deficiency) of receipts over disbursements	-	9,411	-	15,674	(11,490)	1,029	(1,631,956)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	305,287
Transfers out	-	-	-	-	-	-	(305,287)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,411	-	15,674	(11,490)	1,029	(1,631,956)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 50,990	\$ 1,698	\$ 8,214,945

(This page intentionally left blank.)

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,026,451</u>	<u>\$ 86,692</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Providence Capital Network LLC	Computer Lease	\$ 93,712	7/15/2015	1/15/2019
Clarksville High School Building Corporation	First Mortgage Refunding Bonds Series 2008	730,000	7/15/2008	1/15/2017
Clarksville High School Building Corporation	First Mortgage Refunding Bonds Series 2011	841,500	1/15/2012	1/15/2024
Clarksville High School Building Corporation	First Mortgage Bonds Series 2013A	301,000	7/15/2014	1/15/2021
Clarksville High School Building Corporation	First Mortgage Bonds Series 2013B	250,000	7/15/2014	1/15/2021
Clarksville High School Building Corporation	First Mortgage Bonds Series 2013C	240,500	7/15/2014	1/15/2021
Clarksville High School Building Corporation	First Mortgage Bonds Series 2014A	<u>362,000</u>	7/15/2015	1/15/2021
Total of annual lease payments		<u>\$ 2,818,712</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	CCSC Amended GO Pension Bonds Series 2004 (Taxable)	<u>\$ 484,800</u>	<u>\$ 323,770</u>
Total		<u>\$ 484,800</u>	<u>\$ 323,770</u>

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 536,003
Buildings	44,548,902
Improvements other than buildings	25,321
Machinery, equipment, and vehicles	1,359,282
Construction in progress	3,958,000
Books and other	<u>1,347,593</u>
Total capital assets	<u>\$ 51,775,101</u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-009, and 2016-010. Our opinion on each major federal program is not modified with respect to these matters.

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

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 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, and 2016-010 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.

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

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

September 6, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education						
FY 2014-15 National School Breakfast Program		10.553	FY 14-15	\$ -	\$ 117,405	\$ -	\$ -
FY 2015-16 National School Breakfast Program			FY 15-16	-	-	-	109,448
Total - School Breakfast Program				-	117,405	-	109,448
National School Lunch Program							
FY 2014-15 National School Lunch Program	Indiana Department of Education	10.555	FY 14-15	-	417,397	-	-
FY 2015-16 National School Lunch Program			FY 15-16	-	-	-	413,963
Commodities			FY's 14-15; 15-16	-	43,834	-	45,146
Total - National School Lunch Program				-	461,231	-	459,109
Total - Child Nutrition Cluster				-	578,636	-	568,557
Total - Department of Agriculture				-	578,636	-	568,557
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education						
FY 2013 Fed Part B 611 Grant		84.027	14213-022-PN01	-	7,854	-	-
FY 2014 Fed Part B 611 Grant			14214-022-PN01	-	161,667	-	53,484
FY 2015 Fed Part B 611 Grant			14215-022-PN01	-	172,841	-	178,103
FY 2016 Fed Part B 611 Grant			14216-020-PN01	-	-	-	161,958
FY 2014 Fed Technical Asst Grant			99914-022-TA01	-	878	-	8,268
Total - Special Education Grants to States				-	343,240	-	401,813
Special Education Preschool Grants							
FY 2013 Fed Preschool 619 Grant	Indiana Department of Education	84.173	45713-022-PN01	-	1,154	-	-
FY 2014 Fed Preschool 619 Grant			45714-022-PN01	-	7,842	-	5,062
FY 2015 Fed Preschool 619 Grant			45715-022-PN01	-	1,923	-	7,934
Total - Special Education Preschool Grants				-	10,919	-	12,996
Total - Special Education Cluster (IDEA)				-	354,159	-	414,809

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education						
FY 2014 Title I		84.010	14-1000	-	103,601	-	-
FY 2015 Title I			15-1000	-	244,039	-	74,790
FY 2016 Title I			16-1000	-	-	-	212,828
Total - Title I Grants to Local Educational Agencies				-	347,640	-	287,618
Education for Homeless Children and Youth	Indiana Department of Education						
FY 2014 McKinney-Vento Grant		84.196	A58-5-15SS-2302	-	-	-	15,000
FY 2015 McKinney-Vento Grant			A58-5-15SS-2302	-	-	-	528
Total - Education for Homeless Children and Youth				-	-	-	15,528
English Language Acquisition State Grants	Indiana Department of Education						
English Language Acquisition Grants		84.365	01116-011-PN01	-	-	-	1,528
Improving Teacher Quality State Grants	Indiana Department of Education						
FY 2012 Title II/Part A Grant		84.367	12-1000	-	47,645	-	-
FY 2013 Title II/Part A Grant			13-1000	-	17,160	-	56,795
FY 2014 Title II/Part A Grant			14-1000	-	-	-	25,243
Total - Improving Teacher Quality State Grants				-	64,805	-	82,038
Teacher Incentive Fund	Indiana Department of Education						
YR 4/Teacher Incentive-TAP		84.374	Year 4	-	162,951	-	-
YR 5/Teacher Incentive-TAP			Year 5	-	168,323	-	162,759
Total - Teacher Incentive Fund				-	331,274	-	162,759
Total - Department of Education				-	1,097,878	-	964,280
Total federal awards expended				\$ -	\$ 1,676,514	\$ -	\$ 1,532,837

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Clark County Special Education Cooperative

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	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
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.374	Teacher Incentive Fund

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

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

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2014-002 from the immediately prior audit.

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

Condition

There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting.

Receipts

The School Corporation had not separated incompatible activities related to receipts, deposits, and posting receipts. There was no evidence of a proper oversight, review, or approval process.

Context

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

Criteria

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

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

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

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

Cause

Management of the School Corporation had not established a proper system of internal control.

Effect

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

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting of receipts.

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Program Income, Reporting

Audit Finding: Material Weakness

Condition

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

Cash Management

The School Corporation did not have effective procedures in place to ensure that the food service account balance did not exceed the three months average expenditures.

The Food Service Director indicated that a monthly analysis of the cash balance of the School Lunch fund was not performed.

Program Income

Proper procedures were not in place to ensure financial activity related to program income was properly recorded in the financial records. The control account in the financial ledger was not reconciled with the detail meal subsidiary records to ensure that all financial activity recorded in the subsidiary record had been properly identified and recorded in the financial ledger.

The control account in the financial ledger was compared to the balance in the subsidiary record at June 30, 2015, and June 30, 2016, and was cash short \$2,174 and \$1,807, respectively.

Reporting

No evidence was presented for audit that indicated that someone other than the preparer of the Annual Financial Reports and the School Food Authority (SFA) Verification Collection Reports was reviewing these reports for accuracy prior to submission.

Context

The lack of properly designed and implemented controls was a systemic problem, which occurred throughout the audit period.

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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

FINDING 2016-003

Subject: Child Nutrition Cluster - Procurement
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

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

The School Corporation did not present evidence that an adequate number of quotes were obtained and maintained for audit for procurements under the small purchases method.

Context

This was a systemic problem throughout the 2015-2016 school year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

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

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

Cause

The School Corporation's management did not establish controls to ensure compliance with the grant agreement and the Procurement compliance requirement.

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-004

Subject: Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
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 - Paid Lunch Equity compliance requirement. The School Corporation had not designed or implemented adequate policies and procedures to ensure the required Paid Lunch Equity calculations were accurate.

The failure to establish an effective internal control system resulted in noncompliance. The weighted average lunch meal price required to be charged for the 2014-2015 school year was \$2.55 and the actual weighted average amount charged was \$2.53. The weighted average lunch meal price required to be charged for the 2015-2016 school year was \$2.63 and the actual weighted average amount charged was \$2.57.

Context

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

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . .

(3) *Average lunch price is lower than the reimbursement difference.* When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:

(i) 2 percent; and

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

(ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the FEDERAL REGISTER announcing the national average payment rates, from the prior year.

(4) *Price Adjustments.*

(i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents.

(ii) *Rounding of paid lunch prices.* Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents.

(iii) *Optional price increases.* A school food authority may increase the average price by more than ten cents. . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Views of Responsible Officials

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

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

FINDING 2016-005

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 14214-022-PN01, 45714-022-PN01,
99914-022-TA01, 14215-022-PN01,
45715-022-PN01, 14216-022-PN01,
45716-022-PN01

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

Condition

The School Corporation designated a fiscal agent to receive and manage the funding of the Special Education programs. The School Corporation had not established an effective internal control system related to the grant agreements and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation failed to comply with the procurement requirement that small purchases must be in compliance with their compliance procedures, as well as state laws and procedures. Small purchase procedures were not followed which require price or rate quotations be obtained from qualified sources. There were no price or rate quotations obtained for any small purchases during the audit period.

The School Corporation did not perform any procedures to verify that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

The lack of oversight was a systemic issue that 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). . . ."

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

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

2 CFR 200.320 states in part:

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

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

2 CFR 180.300 states:

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

You do this by:

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

Cause

The School Corporation's management did not establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled the School Corporation to be in material noncompliance with the grant agreements and compliance requirement listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to ensure compliance with the grant agreements 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.

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

FINDING 2016-006

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 15-1000
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2014-004 from the immediately prior audit.

Condition

The School Corporation had not established an effective internal control system related to the grant agreements and the Allowable Costs/Cost Principles compliance requirement.

The following disbursements charged to the Title I Grants to Local Educational Agencies grant funds did not comply with the Allowable Costs/Cost Principles compliance requirement.

The supporting documentation provided by the School Corporation for an employee paid from Title I Grant funds did not agree with actual allocations paid. Based upon predetermined allocation rates, the Elementary School Dean of Student's (Dean) salary was to be paid 30 percent from the General fund and 70 percent from Title I grant funds. The Dean's Personnel Activity Reports reflected an allocation of hours worked of 70 percent from the General fund and 30 percent from Title I grant fund. The time records which were provided did not support \$23,265 paid from Title I grant funds.

Context

The lack of internal controls and noncompliance were limited to the Federal Award Number 15-1000. Personnel Activity Reports were not monitored to ensure employees' time was being distributed to the proper funds based on their actual activity.

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

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

award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

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

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

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

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

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

2 CFR 200.430(i) states in part:

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

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

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

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states:

- **School wide programs:**

"If a school-wide program consolidates funds in a single account, an employee paid with funds from the single account is not required to file a semi-annual certification. If a school-wide program does not consolidate funds, employees working solely on a single Federal program must complete semi-annual certifications.

If a school-wide program does not consolidate funds, employees working on multiple programs must maintain a time and effort log at least once a month."

Cause

The School Corporation's management did not establish controls to ensure compliance with the grant agreements and the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled the School Corporation to be in noncompliance with the grant agreements.

Questioned Costs

There were known questioned costs identified which totaled \$23,265.

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

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-007

Subject: Title I Grants to Local Educational Agencies - Eligibility
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): 14-1000, 15-1000, 16-1000
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
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 Eligibility compliance requirement.

The School Corporation did not have an effective system of internal controls over the eligible schools summary portion of the Title I grant application. The School Corporation had not retained the supporting documentation for the eligibility summary to support the non-public enrollment and poverty data for the 2014-2015 and 2015-2016 grant application.

Context

The lack of an effective internal control system and supporting documentation for the eligibility summary was a systematic issue 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

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

award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 80.42 states in part:

"(a) *Applicability.*

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement. . . ."

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years from the starting date . . ."

34 CFR 200.78(a) states in part:

"(1) An LEA must allocate funds under subpart A of this part to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the ESEA, in rank order on the basis of the total number of children from low-income families in each area or school.

(2)

(i) In calculating the total number of children from low-income families, the LEA must include children from low-income families who attend private schools.

(ii) To obtain a count of private school children, the LEA may—

(A) Use the same poverty data the LEA uses to count public school children; . . ."

Cause

The School Corporation had not developed a system of internal controls that would have ensured that records were maintained and made available for audit and would have ensured compliance with the Eligibility compliance requirement.

Effect

The failure to retain appropriate documentation prevented the determination of the School Corporation's compliance with the eligibility requirements pertaining to the proper reporting of the non-public enrollment and poverty data for the 2014-2015 and 2015-2016 grant application.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Eligibility 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 2016-008

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): 14-1000, 15-1000
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.

No evidence was presented for audit that indicated a control was in place to ensure accuracy of the Annual Financial Reports and the School Food Authority (SFA) Verification Collection Reports prior to submission.

The Treasurer prepared and submitted the Final Annual Expenditure Reports. There were no controls in place to ensure the accuracy of the reports prior to submission.

Context

The lack of properly designed and implemented controls was a systemic problem, 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. . . ."

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation's management did not establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-009

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): 14-1000, 15-1000, 16-1000

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Assessment System Security

Audit Findings: Material Weakness, Other Matters

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

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement. The School Corporation was required to properly implement policies and procedures regarding the security of tests. The School Corporation did not maintain Indiana Testing Security and Integrity Agreements (Agreements) for any individual who administered, handled, or had access to secure test materials at the district or school level in order to verify if the Agreements were reviewed and signed.

Context

The lack of documentation that individuals had been properly trained on the assessment system security was a systemic issue 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 . . ."

Clarksville Community School Corporation 2623.01 - Test Security Provisions for Statewide Assessments states in part:

". . . The Superintendent or designee is designated as the Corporation Test Coordinator (CTC) and the individual to whom the test materials are to be delivered. Test materials include examiner's manuals, assessment books, answer documents, practice tests, test tickets and online test access codes.

The CTC shall: . . .

F. require that principals and all staff involved in the administration of the tests strictly follow all procedures described in the testing manuals and those outlined by the IDOE; . . ."

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

Indiana Assessment Program Manual, Chapter 10, Section 4, Part D states in part:

". . . Ensure all applicable school and corporation staff review and sign the Indiana Testing Security and Integrity Agreement annually by the end of September as described in the Code of Ethical Practices and Procedures. . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured documentation related to the Special Tests and Provisions - Assessment System Security compliance requirement was maintained and made available for audit.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with 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 that supporting documentation related to the Special Tests and Provisions - Assessment System Security compliance requirement is maintained for audit.

Views of Responsible Officials

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

FINDING 2016-010

Subject: Teacher Incentive Fund - Period of Availability
Federal Agency: Department of Education
Federal Program: Teacher Incentive Fund
CFDA Number: 84.374
Federal Award Number and Year (or Other Identifying Number): Year 5
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Period of Availability
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Period of Availability compliance requirement.

The School Corporation did not comply with the Period of Availability compliance requirement that all obligations for expenditures made from program funds were incurred and expended within the period of availability. The obligation and/or payment of the claims did not occur within the period of availability for transactions charged and recorded in the computerized accounting system.

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

Payroll related expenses for the pay periods ending August 15, 2014; August 29, 2014; September 12, 2014; and September 26, 2014, were originally paid from the Year 4 project and were transferred to the Year 5 project. The Year 5 project start date was not until October 1, 2014. This resulted in \$18,462 being charged to the project prior to the period of availability.

The underlying obligations for \$18,462 of adjustments tested did not occur within the period of availability for the audit period.

Context

Disbursements originally paid from Year 4 project that were transferred to the Year 5 project, were incurred prior to the start of Year 5 start date. The lack of controls and noncompliance was limited to the Year 5 project.

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

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

34 CFR 80.23 states:

"(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

Cause

Management had not developed an effective system of internal controls that would have ensured compliance with the Period of Availability compliance requirement.

Effect

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

Questioned Costs

Known questioned costs of \$18,462 were identified, as noted in the *Condition*.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Period of Availability compliance requirement.

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

Views of Responsible Officials

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

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettel Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2012 - 2014

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

Contact Person Responsible for Corrective Action: Christi Pruitt

Contact Phone Number: 812-282-7753

Status of Audit Finding:

The Corporation has made procedural changes to accounting practices that include, but are not limited to the following areas:

Cash Management and Period of Availability and Reporting

- Corporation Treasurer and Superintendent sign the monthly reimbursement requests for accuracy and assurance of activities within the grant period.

Eligibility

Special Tests and Provisions – Private School Participation and School Wide Program

- Poverty data from the October Real Time Report are kept in the Title I file.
- Superintendent reviews and verifies for accuracy the Title I Grant.

(Signature)

Corporation Treasurer

(Title)

8/30/18

(Date)



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettel Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2012 - 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Christi Pruitt
Contact Phone Number: 812-282-7753

Status of Audit Finding:

As of August 1, 2016, the Corporation has made procedural changes to accounting practices that include, but are not limited to the following areas:

- Time & Effort Reporting are maintained and kept in the applicable grant file.
- Semi-Annual Certifications are maintained and kept in the applicable grant file.

(Signature)

Corporation Treasurer

(Title)

8/30/18

(Date)



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettel Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005

Fiscal year in which the finding initially occurred: 2012 - 2014

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

Contact Person Responsible for Corrective Action: Christi Pruitt

Contact Phone Number: 812-282-7753

Status of Audit Finding:

The Corporation has made procedural changes to accounting practices that include, but are not limited to the following areas:

Cash Management and Reporting

- Corporation Treasurer and Superintendent sign the monthly reimbursement requests for accuracy and assurance of activities within the grant period.

(Signature)

Corporation Treasurer

(Title)

8/30/18

(Date)



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettl Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-006

Fiscal year in which the finding initially occurred: 2012 - 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Christi Pruitt
Contact Phone Number: 812-282-7753

Status of Audit Finding:

The Corporation has made procedural changes to accounting practices that include, but are not limited to the following areas:

- Time & Effort Reporting logs are required from all employees who are compensated using special education dollars. Logs are required quarterly and are maintained and kept in the applicable grant file.
- Semi-Annual certifications forms are maintained and kept in the applicable grant file.

(Signature)

Corporation Treasurer

(Title)

8/30/18

(Date)



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettel Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

CORRECTIVE ACTION PLAN

The purpose of this document is to serve as an attachment and response to the Clarksville Community School Corporation audit 2014-2016 completed in July, 2018.

On behalf of the Clarksville Community School Corporation Board of School Trustees and the Clarksville staff, I thank the auditors of their time and expertise in conducting this audit. Many positive comments were shared regarding our fiscal operations, and for that, I am grateful.

Please note that the contact person for all corrective actions below will be Tina Bennett, the Superintendent of Schools. The phone number is 812-282-7753.

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2012-2014

We concur with the finding, but it is important to note that once the finding was presented on June 30, 2016, immediate measures were taken to correct the internal controls deficiencies. As part of the corrective action plan, a State Board of Accounts approved receipt book had to be printed by an approved vendor. Once the receipt book was received from the vendor, the immediate implementation of the internal controls process was started.

Corrective Action Plan Implemented in July 1, 2016:

Receipts:

- Elementary ECA Treasurer receipts all monies on hand-written receipts presented to the Corporation Treasurer.
- Corporation Treasurer receives money, issues official receipts and posts, prepares and reviews bank deposits.
- Corporation Treasurer and Deputy Treasurer sign *Receipt Posting Journal* generated after posting indicating that posting agrees with logged deposit.
- Elementary ECA Treasurer will electronically submit or hand deliver deposit to the bank.
- Electronic Submission - Notification of such deposits are sent via email from the bank to the Corporation Treasurer for verification.
- Hand Delivered – Elementary ECA Treasurer brings deposit slip printed by bank to Corporation Treasurer.
- Monitoring of Controls – Financial Consultant provides monitoring as well as the Board of School Trustees.



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettl Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

Disbursements:

- Department supervisors authorize purchases, prepare purchase orders, and certify receipt of goods or services by preparing a voucher for payment.
- Corporation Treasurer approves voucher indicating that the invoice and voucher of goods received are in agreement.
- Checks are stored in a secure location with dual signatures verifying what check number sequence is used and the date.
- Claims for Board approval have dual signatures on them.
- Corporation Treasurer writes, posts, and signs checks.
- Corporation Treasurer and Deputy Treasurer sign *Checks new to Check File* report generated after posting indicating that the checks agree with the signed claims.
- Elementary ECA Treasurer mails or distributes checks making sure all checks are accounted for in numerical order, and reconciled with the voucher labels. This is indicated by check marks.
- Monitoring of Controls – Financial Consultant provides monitoring as well as the Board of School Trustees.

Cash and Investment Activities:

- Corporation Treasurer receives bank statement online.
- Elementary ECA Treasurer opens the USPS mailed bank statement to verify reconciliation with the software generated bank statement.
- Superintendent reviews and approves bank reconciliation.
- Board of School Trustees approves the bank reconciliation statements each month at public board meeting.

Corrective Action Plan Implemented in July 1, 2016

FINDING 2016-002

We concur with the finding. The Corporation has made procedural changes as it relates to internal controls:

- The Food Service Director will review on a quarterly basis the prior quarter's monthly budget & revenue reports provided by the Chief Business Officer.
- The FSD will then take each month's budget figures, total them then average them by 3 and the same will be done with the revenue figures for each month of the quarter. The averaged quarterly figures for budget and revenue will then be placed into the following formula:

Qtrly Revenue totals - Qtrly Budget totals = 3 month avg food service acct balance.



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettel Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

- The calculation will be recorded on the quarterly reports as record of action being taken and filed together in folder marked “Quarterly Review of Food Service Acct Balance.”
- If the account balance exceeds 3 months’ expenditures, then purchase(s) will be made for the Food Service Program (i.e. kitchen equipment, small wares, etc.)
- If the balance doesn’t exceed 3 months’ expenditures, expenditures will be adjusted accordingly.
- The Food Service Director will properly identify financial activity related to program income and will send to the Chief Business Officer for reconciling to the correct financial account in the financial ledger. Any discrepancies will be identified and corrected appropriately with the Food Service Director and Chief Business Officer signing off on the correction.
- Prior to submission of the Annual Financial Reports the Food Service Director will present to the Chief Business Officer for an accuracy review and sign off.
- Prior to submission of the Verification Collection Reports, the Food Service Director will present to the Clarksville Community School Corporation food service managers for review of accuracy and sign off.

Anticipated Completion Date: September 1, 2018

FINDING 2016-003

We concur with the finding. The Corporation has made procedural changes as it relates to procurement:

- The Food Service Director will request a quote from at least 3 different vendors for services/goods and maintain those responses on file for audit purposes according to small purchase procedures.
- The quotes will address goods/services, deliveries, Buy American, Suspension & Debarment and other items as required by the Food Service Department to satisfy Federal procurement requirements. Duration dates of the agreement with the vendor will also be provided.
- The procurement process will be evaluated prior to vendor approval by the Clarksville Community School Corporation food service managers at an evaluation meeting conducted specifically for this purpose to satisfy internal controls.
- The Food Service Director will regularly, when provided attend procurement training seminars.

Anticipated Completion Date: September 1, 2018



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettl Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

FINDING 2016-004

We concur with the finding. The Corporation has made procedural changes as it relates to special tests and provisions- paid lunch equity:

- The appropriate information will be filled in the PLE Tool. The Food Service Director will then forward the information and the completed PLE Tool to the Superintendent for evaluation prior to submission to the appropriate agency. This usually occurs in April or May of the upcoming school year.
- After evaluation is complete, the Superintendent will issue an approval to the Food Service Director by signing the PLE Tool for submission to the INDOE Nutrition Department and make suggestions as to the amount of increase to cover the actual weighted average meal price.
- The Food Service Director will then submit the PLE Tool as already required by the INDOE Nutrition Dept. for their approval. The PLE Tool is received in letter form from the Food Service Director of the requested proposal to the Board of School Trustees to increase meal prices. As of July 2018, Clarksville Community School Corporation is now a community eligibility provision (CEP) district-wide and does not charge student for breakfast or lunch.
- Weighted averages will be set based on trend data as it's difficult to predict how many meals will be served in October of the following school year when requested meal price increases are presented to the Board of School Trustees in the spring of the prior school year.

Anticipated Completion Date: September 1, 2018

FINDING 2016-005

We concur with the finding. The Corporation has made procedural changes as it relates to grant agreements and the compliance with procurement and suspension and debarment:

- Clarksville Community School Corporation designated Madison Area Special Services (MAESSU) as the fiscal agent to receive and manage the funding of the Special Education programs starting July 1, 2017.
- MAESSU will work toward maintaining 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 the Federal program as stated in OMB Circular A-133, Subpart C, section 300.
- Vendors will be reviewed using the following [http: OIG.HHS.GOV](http://OIG.HHS.GOV). Documentation for this requirement will be kept at the MAESSU business office.



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettl Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

Anticipated Completion Date: August 28, 2018

FINDING 2016-006

We concur with the finding. The Corporation has made procedural changes as it relates to allowable costs/cost principles:

Future activity reports will be closely monitored by the secretary/treasurer and principal to ensure employees' time is being distributed to the proper funds base on their actual activity. The time and Effort Report will be prepared monthly and will be signed by the employee to verify the accuracy of the information.

- Time and Effort Reporting will be maintained and kept in the applicable grant file.
- Semi-annual Certifications will be maintained and kept in the applicable grant file.

Anticipated Completion Date: August 1, 2016

FINDING 2016-007

We concur with the finding. The Corporation has made procedural changes as it relates to eligibility:

- The LEA principal will collaborate with the non-public school principal to document student eligibility for service.
- Documentation for the eligibility summary to support the non-public enrollment and poverty data to support the funding distributed to the non-public school will be collected and retained in the grant file

Anticipated Completion Date: Effective with the 2019 Title I Grant approval.

FINDING 2016-008

We concur with the finding. The Corporation has made procedural changes as it relates to internal controls:

- Internal controls have been established to ensure that the reports are reviewed for accuracy by additional personnel.
- All personnel reviewing reports will sign verifying that they have reviewed the reports for accuracy.



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettel Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754

Anticipated Completion Date: Effective with the 2019 Title I Grant approval.

FINDING 2016-009

We concur with the finding. The Corporation has made procedural changes as it relates to special tests and provisions – Assessment System Security:

- Clarksville Community School Corporation will maintain Indiana Testing Security and Integrity Agreements for all individuals who administer, handle, or have access to secure
- test materials at the district or school level in order to verify that the Agreements are reviewed and signed.
- Original Indiana Testing Security and Integrity Agreements will be kept on file at each school in the School Corporation
- Copies of the Indiana Testing Security and Integrity Agreements will be kept on file by the Director of Assessment.

Anticipated Completion Date: Immediately after the Indiana Testing Security and Integrity Agreements for the 2019 ILEARN and IAM state assessments are signed.

FINDING 2016-010

We concur with the finding. No procedural changes for the TAP Grant will be made as the grant is no longer active.

The School Corporation has made procedural changes as it relates to all other federal grants regarding compliance with the period of availability requirements:

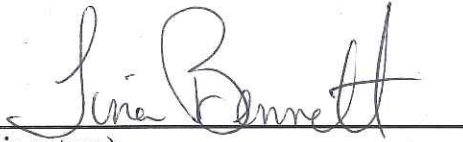
- Direct contact by email to the Indiana Department of Education for confirmation of expenditures within period of availability for the grant.
- Copies of all supporting documents will be retained in the grant file and referenced throughout the grant period.
- Clarksville Community School Corporation will work toward maintaining 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 the Federal program as stated in OMB Circular A-133, Subpart C, section 300.

Anticipated Completion Date: August 30, 2018



CLARKSVILLE COMMUNITY SCHOOLS

Office of the Superintendent • 200 Ettl Lane • Clarksville, IN 47129-1898
(812) 282-7753 • FAX (812) 282-7754



(Signature)

Superintendent _____
(Title)

9/6/18 _____
(Date)

OTHER REPORTS

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