

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WEST CLARK COMMUNITY SCHOOLS
CLARK COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
01/18/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	R. Mac Dyer (Vacant)	01-01-15 to 08-03-18 08-04-18 to 12-31-18
Deputy Treasurer	Patricia Kelley (acting Treasurer)	08-04-18 to 12-31-18
Superintendent of Schools	Monty Schneider Chad Schenck John Reed (interim) Clemencia Perez-Lloyd (interim)	01-01-15 to 06-30-15 07-01-15 to 12-13-17 12-14-17 to 07-31-18 08-01-18 to 12-31-18
President of the School Board	Brian Hurst Joe Basham Douglas Coffman	01-01-15 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WEST CLARK COMMUNITY SCHOOLS, CLARK COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the West Clark Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 November 28, 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

November 28, 2018



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

TO: THE OFFICIALS OF THE WEST CLARK COMMUNITY SCHOOLS, 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 West Clark Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated November 28, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that we consider to be material weaknesses.

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

Compliance and Other Matters


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

West Clark Community Schools' 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

November 28, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

WEST CLARK COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 9,681,389	\$ 29,312,192	\$ 27,965,465	\$ 19,661	\$ 11,047,777	\$ 29,430,952	\$ 31,483,790	\$ 1,460	\$ 8,996,399
Debt Service	4,575,716	7,675,640	7,692,849	(46,585)	4,511,922	7,017,226	7,200,145	(42,334)	4,286,669
Retirement/Severance Bond Debt Service	67,841	654,727	606,020	-	116,548	589,622	582,830	-	123,340
Capital Projects	1,954,128	2,789,541	3,256,878	-	1,486,791	2,921,595	3,116,914	125	1,291,597
School Transportation	827,200	2,255,038	2,358,818	19,656	743,076	2,582,580	2,552,579	-	773,077
School Bus Replacement	374,559	357,231	334,778	-	397,012	379,872	60,768	2,058	718,174
Rainy Day	1,003,770	131,002	-	-	1,134,772	-	-	-	1,134,772
Retirement/Severance Bond	681,081	129	150,298	-	530,912	205	-	-	531,117
Construction	48,275	-	-	-	48,275	-	-	-	48,275
Disaster Grant	2,058	-	-	-	2,058	-	-	-	2,058
School Lunch	342,596	2,224,438	2,072,801	-	494,233	2,154,326	2,602,390	-	46,169
Textbook Rental	436,070	823,300	799,902	46,585	506,053	740,132	852,668	42,334	435,851
Levy Excess	1,258,457	8,271	-	(8,271)	1,258,457	-	-	-	1,258,457
Educational License Plates	16,986	150	-	-	17,136	319	-	-	17,455
Alternative Education	29,064	21,475	-	-	50,539	18,718	-	-	69,257
Early Intervention Grant	38,516	2,897	516	-	40,897	19,878	13,319	-	47,456
Indiana Literacy Early Intervention	39	-	-	-	39	-	-	-	39
Lilly Grant	-	-	-	-	-	30,000	16,439	-	13,561
Henryville Tornado Fund	54,054	-	-	-	54,054	-	-	-	54,054
Communities in Schools Clark County Donations	800	-	852	-	(52)	-	-	-	(52)
PNC Library Donation	28	-	-	-	28	-	-	-	28
Community Foundation of Southern Indiana Grant	681	-	681	-	-	-	-	-	-
SCPS PTO Donation	900	-	-	-	900	-	-	-	900
Title III LEP Materials Fund	2,274	-	123	-	2,151	-	788	-	1,363
Scholarships and Awards	120	120	240	-	-	72	72	-	-
SCMS Athletic Fund	506	-	-	-	506	-	-	-	506
Community Foundation Grant	209	-	80	-	129	-	-	-	129
SCPS PTO Donations	1,892	-	1,431	-	461	128	-	-	589
Duke Energy Foundation Grant	-	-	-	-	-	16,506	4,118	-	12,388
WHAS Crusade for Children	(3,323)	20,372	17,836	-	(787)	18,000	33,347	-	(16,134)
BHS Contributions/Donations	400	6,340	400	(5,337)	1,003	6,879	-	(7,328)	554
BES Contributions/Donations	-	1,487	495	-	992	4,580	1,267	-	4,305
SCPS Contributions/Donations	-	500	607	-	(107)	6,930	2,165	-	4,658
Fund for the Arts	405	-	-	-	405	-	-	-	405
Indiana Next Grant	1,350	-	-	-	1,350	-	-	-	1,350
AM Library-Beyond Words Grant	60	-	-	-	60	-	-	-	60
HHS Contributions/Donations	-	500	500	-	-	-	-	-	-
SCHS Contributions/Donations	-	1,000	-	-	1,000	-	-	-	1,000
SCMS Contributions/Donations	-	500	-	-	500	-	-	-	500

WEST CLARK COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
SCES Contributions/Donations	-	500	500	-	-	-	-	-	-
WCCS Contributions/Donations	-	-	-	-	-	13,600	10,941	-	2,659
Formative Assessment	-	-	-	-	-	48,735	48,735	-	-
McDonald Grant Award	178	-	-	-	178	-	-	-	178
Borden Ministerial Association Grant	2,156	-	387	-	1,769	-	-	-	1,769
High Ability	10,652	-	10,652	-	-	-	-	-	-
Common School Loan	(215,089)	889,554	674,465	-	-	-	-	-	-
Early Intervention Grant FY16	-	-	3,047	-	(3,047)	14,905	11,858	-	-
Early Childhood Intervention (First Steps)	-	46,348	35,975	-	10,373	10,250	20,623	-	-
Medicaid Reimbursement	38,375	67,805	24,450	(52,368)	29,362	152,620	42,827	(61,236)	77,919
Scholarship Fund - SCHS	11,818	6	1,000	-	10,824	5	1,000	-	9,829
Non-English Speaking Programs	-	24,342	19,610	-	4,732	26,231	12,583	-	18,380
School Technology	13,594	8,724	-	-	22,318	8,468	-	-	30,786
Career and Technical Performance Grant	-	-	-	-	-	42,279	2,391	-	39,888
Indiana School Academic Improvement Program (ISAIP)	-	-	17,467	-	(17,467)	68,471	54,291	-	(3,287)
High Ability Grant	-	-	-	-	-	46,327	32,824	-	13,503
Skill Up Grant	-	-	-	-	-	-	1,324	-	(1,324)
HSTW 2003 Salaries	497	-	-	-	497	-	-	-	497
Title I	(93,131)	444,615	429,641	-	(78,157)	397,322	374,121	-	(54,956)
Title I Part D	(863)	1,674	811	-	-	-	-	-	-
Serve America	2,836	-	-	-	2,836	-	-	-	2,836
Spec Ed Part B 611	(82,720)	469,784	453,358	-	(66,294)	656,624	606,016	-	(15,686)
Technical Assistance Grant	(10,254)	10,254	-	-	-	-	-	-	-
Preschool Handicap	(2,974)	16,648	28,498	-	(14,824)	46,570	33,165	-	(1,419)
Vocational and Technology Board Grants	1,193	-	-	-	1,193	-	-	-	1,193
Medicaid Reimbursement - Federal	49,291	14,226	72,864	52,368	43,021	13,801	97,614	61,236	20,444
Educating America, Title III	1,000	-	-	-	1,000	-	-	-	1,000
Improving Teacher Quality, No Child Left, Title II, Part A	(41,093)	121,809	87,007	-	(6,291)	33,546	50,097	-	(22,842)
ITQ, Enhanced Education Through Technology, Title II, Part D	4	-	-	-	4	-	-	-	4
Title III - English Proficiency Migrant	(5,977)	21,101	20,058	-	(4,934)	8,878	10,047	-	(6,103)
Technology Literacy Challenge, Title III	27	-	-	-	27	-	-	-	27
McKinney - Vento Education for Homeless	-	-	-	-	-	-	7,041	-	(7,041)
PPD Textbooks	-	-	-	-	-	124,359	120,045	-	4,314
Prepaid Food	72,300	1,144,708	1,162,135	-	54,873	1,106,480	1,149,493	-	11,860
Payroll Clearing	31,887	7,901,459	7,917,313	-	16,033	10,106,114	9,988,398	-	133,749
Totals	\$ 21,181,808	\$ 57,470,407	\$ 56,220,808	\$ 25,709	\$ 22,457,116	\$ 58,864,105	\$ 61,199,033	\$ (3,685)	\$ 20,118,503

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

WEST CLARK COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

WEST CLARK COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, 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:

WEST CLARK COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

WEST CLARK COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

WEST CLARK COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the reimbursement requests for expenditures, submitted by the School Corporation, not being received by June 30. One fund ended both school years with a deficit due to an additional shipping and handling expense which was not covered by the initial grant fund.

WEST CLARK COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into a capital lease with the West Clark 2000 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$6,872,000 and \$6,452,000, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, and vision. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

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

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

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

WEST CLARK COMMUNITY SCHOOLS
 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	Retirement/ Severance Bond	Construction	Disaster Grant
Cash and investments - beginning	\$ 9,681,389	\$ 4,575,716	\$ 67,841	\$ 1,954,128	\$ 827,200	\$ 374,559	\$ 1,003,770	\$ 681,081	\$ 48,275	\$ 2,058
Receipts:										
Local sources	339,937	7,675,640	654,727	2,789,541	2,254,776	357,231	131,002	129	-	-
Intermediate sources	93	-	-	-	-	-	-	-	-	-
State sources	28,958,403	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	171	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	13,759	-	-	-	91	-	-	-	-	-
Total receipts	29,312,192	7,675,640	654,727	2,789,541	2,255,038	357,231	131,002	129	-	-
Disbursements:										
Instruction	20,671,085	-	-	-	-	-	-	99,974	-	-
Support services	6,982,104	-	-	1,668,651	2,358,818	334,778	-	50,324	-	-
Noninstructional services	297,733	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	12,043	-	-	1,588,227	-	-	-	-	-	-
Debt service	2,500	7,692,849	606,020	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,965,465	7,692,849	606,020	3,256,878	2,358,818	334,778	-	150,298	-	-
Excess (deficiency) of receipts over disbursements	1,346,727	(17,209)	48,707	(467,337)	(103,780)	22,453	131,002	(150,169)	-	-
Other financing sources (uses):										
Sale of capital assets	19,661	-	-	-	11,385	-	-	-	-	-
Transfers in	-	-	-	-	8,271	-	-	-	-	-
Transfers out	-	(46,585)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	19,661	(46,585)	-	-	19,656	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,366,388	(63,794)	48,707	(467,337)	(84,124)	22,453	131,002	(150,169)	-	-
Cash and investments - ending	\$ 11,047,777	\$ 4,511,922	\$ 116,548	\$ 1,486,791	\$ 743,076	\$ 397,012	\$ 1,134,772	\$ 530,912	\$ 48,275	\$ 2,058

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Indiana Literacy Early Intervention	Lilly Grant	Henryville Tornado Fund	Communities in Schools Clark County Donation
Cash and investments - beginning	\$ 342,596	\$ 436,070	\$ 1,258,457	\$ 16,986	\$ 29,064	\$ 38,516	\$ 39	\$ -	\$ 54,054	\$ 800
Receipts:										
Local sources	1,201,133	511,610	8,271	-	-	-	-	-	-	-
Intermediate sources	-	-	-	150	-	-	-	-	-	-
State sources	26,399	311,122	-	-	21,475	2,897	-	-	-	-
Federal sources	996,390	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	516	568	-	-	-	-	-	-	-	-
Total receipts	2,224,438	823,300	8,271	150	21,475	2,897	-	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	852
Support services	864	799,902	-	-	-	516	-	-	-	-
Noninstructional services	2,060,172	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	11,765	-	-	-	-	-	-	-	-	-
Total disbursements	2,072,801	799,902	-	-	-	516	-	-	-	852
Excess (deficiency) of receipts over disbursements	151,637	23,398	8,271	150	21,475	2,381	-	-	-	(852)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	46,585	-	-	-	-	-	-	-	-
Transfers out	-	-	(8,271)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	46,585	(8,271)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	151,637	69,983	-	150	21,475	2,381	-	-	-	(852)
Cash and investments - ending	\$ 494,233	\$ 506,053	\$ 1,258,457	\$ 17,136	\$ 50,539	\$ 40,897	\$ 39	\$ -	\$ 54,054	\$ (52)

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

	PNC Library Donations	Community Foundation of Southern Indiana Grant	SCPS PTO Donation	Title III LEP Materials Fund	Scholarships and Awards	SCMS Athletic Fund	Community Foundation Grant	SCPS PTO Donations	Duke Energy Foundation Donations	WHAS Crusade for Children
Cash and investments - beginning	\$ 28	\$ 681	\$ 900	\$ 2,274	\$ 120	\$ 506	\$ 209	\$ 1,892	\$ -	\$ (3,323)
Receipts:										
Local sources	-	-	-	-	120	-	-	-	-	20,372
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	120	-	-	-	-	20,372
Disbursements:										
Instruction	-	681	-	123	-	-	80	1,431	-	17,836
Support services	-	-	-	-	240	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	681	-	123	240	-	80	1,431	-	17,836
Excess (deficiency) of receipts over disbursements	-	(681)	-	(123)	(120)	-	(80)	(1,431)	-	2,536
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(681)	-	(123)	(120)	-	(80)	(1,431)	-	2,536
Cash and investments - ending	\$ 28	\$ -	\$ 900	\$ 2,151	\$ -	\$ 506	\$ 129	\$ 461	\$ -	\$ (787)

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	BHS Contributions/ Donations	BES Contributions/ Donations	SCPS Contributions/ Donations	Fund for the Arts	Indiana Next Grant	AM Library- Beyond Words Grant	HHS Contributions/ Donations	SCHS Contributions/ Donations	SCMS Contributions/ Donations
Cash and investments - beginning	\$ 400	\$ -	\$ -	\$ 405	\$ 1,350	\$ 60	\$ -	\$ -	\$ -
Receipts:									
Local sources	6,340	1,487	500	-	-	-	500	1,000	500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	6,340	1,487	500	-	-	-	500	1,000	500
Disbursements:									
Instruction	-	495	607	-	-	-	500	-	-
Support services	400	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	400	495	607	-	-	-	500	-	-
Excess (deficiency) of receipts over disbursements	5,940	992	(107)	-	-	-	-	1,000	500
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(5,337)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(5,337)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	603	992	(107)	-	-	-	-	1,000	500
Cash and investments - ending	\$ 1,003	\$ 992	\$ (107)	\$ 405	\$ 1,350	\$ 60	\$ -	\$ 1,000	\$ 500

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	SCES Contributions/ Donations	WCCS Contributions/ Donations	Formative Assessment	McDonald Grant Award	Borden Ministerial Association Grant	High Ability	Common School Loan	Early Intervention Grant FY16	Early Childhood Intervention (First Steps)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 178	\$ 2,156	\$ 10,652	\$ (215,089)	\$ -	\$ -
Receipts:									
Local sources	500	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	46,348
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	889,554	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	500	-	-	-	-	-	889,554	-	46,348
Disbursements:									
Instruction	500	-	-	-	387	10,652	-	3,047	35,975
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	674,465	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	500	-	-	-	387	10,652	674,465	3,047	35,975
Excess (deficiency) of receipts over disbursements	-	-	-	-	(387)	(10,652)	215,089	(3,047)	10,373
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(387)	(10,652)	215,089	(3,047)	10,373
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 178	\$ 1,769	\$ -	\$ -	\$ (3,047)	\$ 10,373

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Medicaid Reimbursement	Scholarships Fund - SCHS	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Indiana School Academic Improvement Program (ISAIP)	High Ability Grant	Skill Up Grant	HSTW 2003 Salaries
Cash and investments - beginning	\$ 38,375	\$ 11,818	\$ -	\$ 13,594	\$ -	\$ -	\$ -	\$ -	\$ 497
Receipts:									
Local sources	-	6	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	67,805	-	24,342	8,724	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	67,805	6	24,342	8,724	-	-	-	-	-
Disbursements:									
Instruction	-	-	19,610	-	-	-	-	-	-
Support services	-	-	-	-	-	17,467	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	24,450	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,000	-	-	-	-	-	-	-
Total disbursements	24,450	1,000	19,610	-	-	17,467	-	-	-
Excess (deficiency) of receipts over disbursements	43,355	(994)	4,732	8,724	-	(17,467)	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(52,368)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(52,368)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,013)	(994)	4,732	8,724	-	(17,467)	-	-	-
Cash and investments - ending	\$ 29,362	\$ 10,824	\$ 4,732	\$ 22,318	\$ -	\$ (17,467)	\$ -	\$ -	\$ 497

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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	Title I	Title I Part D	Serve America	Spec Ed Part B 611	Technical Assistance Grant	Preschool Handicap	Vocational and Technology Board Grants	Medicaid Reimbursement - Federal	Educating America, Title III
Cash and investments - beginning	\$ (93,131)	\$ (863)	\$ 2,836	\$ (82,720)	\$ (10,254)	\$ (2,974)	\$ 1,193	\$ 49,291	\$ 1,000
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	58,360	10,254	3,340	-	-	-
Federal sources	444,615	1,674	-	411,424	-	13,308	-	14,226	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	444,615	1,674	-	469,784	10,254	16,648	-	14,226	-
Disbursements:									
Instruction	222,860	-	-	453,358	-	28,498	-	35,967	-
Support services	206,781	811	-	-	-	-	-	36,897	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	429,641	811	-	453,358	-	28,498	-	72,864	-
Excess (deficiency) of receipts over disbursements	14,974	863	-	16,426	10,254	(11,850)	-	(58,638)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	52,368	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	52,368	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,974	863	-	16,426	10,254	(11,850)	-	(6,270)	-
Cash and investments - ending	\$ (78,157)	\$ -	\$ 2,836	\$ (66,294)	\$ -	\$ (14,824)	\$ 1,193	\$ 43,021	\$ 1,000

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Improving Teacher Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III - English Proficiency Migrant	Technology Literacy Challenge, Title III	McKinney - Vento Education for Homeless	PPD Textbook	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ (41,093)	\$ 4	\$ (5,977)	\$ 27	\$ -	\$ -	\$ 72,300	\$ 31,887	\$ 21,181,808
Receipts:									
Local sources	-	-	-	-	-	-	-	-	15,955,322
Intermediate sources	-	-	-	-	-	-	-	-	243
State sources	-	-	21,101	-	-	-	-	-	29,560,570
Federal sources	121,809	-	-	-	-	-	-	-	2,003,617
Temporary loans	-	-	-	-	-	-	-	-	889,554
Other receipts	-	-	-	-	-	-	1,144,708	7,901,459	9,061,101
Total receipts	121,809	-	21,101	-	-	-	1,144,708	7,901,459	57,470,407
Disbursements:									
Instruction	66,144	-	20,058	-	-	-	-	-	21,690,720
Support services	20,863	-	-	-	-	-	-	-	12,479,416
Noninstructional services	-	-	-	-	-	-	-	-	2,357,905
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,274,735
Debt service	-	-	-	-	-	-	-	-	8,325,819
Nonprogrammed charges	-	-	-	-	-	-	1,162,135	7,917,313	9,092,213
Total disbursements	87,007	-	20,058	-	-	-	1,162,135	7,917,313	56,220,808
Excess (deficiency) of receipts over disbursements	34,802	-	1,043	-	-	-	(17,427)	(15,854)	1,249,599
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	31,046
Transfers in	-	-	-	-	-	-	-	-	107,224
Transfers out	-	-	-	-	-	-	-	-	(112,561)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	25,709
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,802	-	1,043	-	-	-	(17,427)	(15,854)	1,275,308
Cash and investments - ending	\$ (6,291)	\$ 4	\$ (4,934)	\$ 27	\$ -	\$ -	\$ 54,873	\$ 16,033	\$ 22,457,116

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Disaster Grant
Cash and investments - beginning	\$ 11,047,777	\$ 4,511,922	\$ 116,548	\$ 1,486,791	\$ 743,076	\$ 397,012	\$ 1,134,772	\$ 530,912	\$ 48,275	\$ 2,058
Receipts:										
Local sources	199,367	7,017,226	589,622	2,915,439	2,582,580	361,942	-	205	-	-
Intermediate sources	30	-	-	-	-	-	-	-	-	-
State sources	29,231,555	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	6,156	-	17,930	-	-	-	-
Total receipts	29,430,952	7,017,226	589,622	2,921,595	2,582,580	379,872	-	205	-	-
Disbursements:										
Instruction	22,867,917	-	-	-	-	-	-	-	-	-
Support services	8,303,597	2,975	-	1,650,949	2,552,579	60,768	-	-	-	-
Noninstructional services	278,991	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	33,285	-	-	1,465,965	-	-	-	-	-	-
Debt service	-	7,197,170	582,830	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	31,483,790	7,200,145	582,830	3,116,914	2,552,579	60,768	-	-	-	-
Excess (deficiency) of receipts over disbursements	(2,052,838)	(182,919)	6,792	(195,319)	30,001	319,104	-	205	-	-
Other financing sources (uses):										
Sale of capital assets	1,460	-	-	125	-	2,058	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(42,334)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,460	(42,334)	-	125	-	2,058	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,051,378)	(225,253)	6,792	(195,194)	30,001	321,162	-	205	-	-
Cash and investments - ending	\$ 8,996,399	\$ 4,286,669	\$ 123,340	\$ 1,291,597	\$ 773,077	\$ 718,174	\$ 1,134,772	\$ 531,117	\$ 48,275	\$ 2,058

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Indiana Literacy Early Intervention	Lilly Grant	Henryville Tornado Fund	Communities in Schools Clark County Donation
Cash and investments - beginning	\$ 494,233	\$ 506,053	\$ 1,258,457	\$ 17,136	\$ 50,539	\$ 40,897	\$ 39	\$ -	\$ 54,054	\$ (52)
Receipts:										
Local sources	1,208,970	467,466	-	-	-	-	-	30,000	-	-
Intermediate sources	-	-	-	319	-	-	-	-	-	-
State sources	25,952	272,666	-	-	18,718	19,878	-	-	-	-
Federal sources	918,955	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	449	-	-	-	-	-	-	-	-	-
Total receipts	2,154,326	740,132	-	319	18,718	19,878	-	30,000	-	-
Disbursements:										
Instruction	-	-	-	-	-	13,319	-	-	-	-
Support services	11,455	852,668	-	-	-	-	-	16,439	-	-
Noninstructional services	2,576,575	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	14,360	-	-	-	-	-	-	-	-	-
Total disbursements	2,602,390	852,668	-	-	-	13,319	-	16,439	-	-
Excess (deficiency) of receipts over disbursements	(448,064)	(112,536)	-	319	18,718	6,559	-	13,561	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	42,334	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	42,334	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(448,064)	(70,202)	-	319	18,718	6,559	-	13,561	-	-
Cash and investments - ending	\$ 46,169	\$ 435,851	\$ 1,258,457	\$ 17,455	\$ 69,257	\$ 47,456	\$ 39	\$ 13,561	\$ 54,054	\$ (52)

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	PNC Library Donations	Community Foundation of Southern Indiana Grant	SCPS PTO Donation	Title III LEP Materials Fund	Scholarships and Awards	SCMS Athletic Fund	Community Foundation Grant	SCPS PTO Donations	Duke Energy Foundation Donations	WHAS Crusade for Children
Cash and investments - beginning	\$ 28	\$ -	\$ 900	\$ 2,151	\$ -	\$ 506	\$ 129	\$ 461	\$ -	\$ (787)
Receipts:										
Local sources	-	-	-	-	72	-	-	128	16,506	18,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	72	-	-	128	16,506	18,000
Disbursements:										
Instruction	-	-	-	788	-	-	-	-	4,118	33,347
Support services	-	-	-	-	72	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	788	72	-	-	-	4,118	33,347
Excess (deficiency) of receipts over disbursements	-	-	-	(788)	-	-	-	128	12,388	(15,347)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(788)	-	-	-	128	12,388	(15,347)
Cash and investments - ending	\$ 28	\$ -	\$ 900	\$ 1,363	\$ -	\$ 506	\$ 129	\$ 589	\$ 12,388	\$ (16,134)

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	BHS Contributions/ Donations	BES Contributions/ Donations	SCPS Contributions/ Donations	Fund for the Arts	Indiana Next Grant	AM Library- Beyond Words Grant	HHS Contributions/ Donations	SCHS Contributions/ Donations	SCMS Contributions/ Donations
Cash and investments - beginning	\$ 1,003	\$ 992	\$ (107)	\$ 405	\$ 1,350	\$ 60	\$ -	\$ 1,000	\$ 500
Receipts:									
Local sources	6,879	4,580	6,930	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	6,879	4,580	6,930	-	-	-	-	-	-
Disbursements:									
Instruction	-	1,267	2,165	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,267	2,165	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	6,879	3,313	4,765	-	-	-	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(7,328)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,328)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(449)	3,313	4,765	-	-	-	-	-	-
Cash and investments - ending	\$ 554	\$ 4,305	\$ 4,658	\$ 405	\$ 1,350	\$ 60	\$ -	\$ 1,000	\$ 500

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	SCES Contributions/ Donations	WCCS Contributions/ Donations	Formative Assessment	McDonald Grant Award	Borden Ministerial Association Grant	High Ability	Common School Loan	Early Intervention Grant FY16	Early Childhood Intervention (First Steps)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 178	\$ 1,769	\$ -	\$ -	\$ (3,047)	\$ 10,373
Receipts:									
Local sources	-	13,600	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	48,735	-	-	-	-	14,905	10,250
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	13,600	48,735	-	-	-	-	14,905	10,250
Disbursements:									
Instruction	-	-	48,735	-	-	-	-	10,529	20,623
Support services	-	10,000	-	-	-	-	-	1,329	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	941	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,941	48,735	-	-	-	-	11,858	20,623
Excess (deficiency) of receipts over disbursements	-	2,659	-	-	-	-	-	3,047	(10,373)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,659	-	-	-	-	-	3,047	(10,373)
Cash and investments - ending	\$ -	\$ 2,659	\$ -	\$ 178	\$ 1,769	\$ -	\$ -	\$ -	\$ -

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Medicaid Reimbursement	Scholarships Fund - SCHS	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Indiana School Academic Improvement Program (ISAIP)	High Ability Grant	Skill Up Grant	HSTW 2003 Salaries
Cash and investments - beginning	\$ 29,362	\$ 10,824	\$ 4,732	\$ 22,318	\$ -	\$ (17,467)	\$ -	\$ -	\$ 497
Receipts:									
Local sources	-	5	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	152,620	-	26,231	8,468	42,279	68,471	46,327	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	152,620	5	26,231	8,468	42,279	68,471	46,327	-	-
Disbursements:									
Instruction	-	-	12,583	-	2,391	-	32,824	1,324	-
Support services	-	-	-	-	-	54,291	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	42,827	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,000	-	-	-	-	-	-	-
Total disbursements	42,827	1,000	12,583	-	2,391	54,291	32,824	1,324	-
Excess (deficiency) of receipts over disbursements	109,793	(995)	13,648	8,468	39,888	14,180	13,503	(1,324)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(61,236)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(61,236)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,557	(995)	13,648	8,468	39,888	14,180	13,503	(1,324)	-
Cash and investments - ending	\$ 77,919	\$ 9,829	\$ 18,380	\$ 30,786	\$ 39,888	\$ (3,287)	\$ 13,503	\$ (1,324)	\$ 497

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Title I	Title I Part D	Serve America	Spec Ed Part B 611	Technical Assistance Grant	Preschool Handicap	Vocational and Technology Board Grants	Medicaid Reimbursement - Federal	Educating America, Title III
Cash and investments - beginning	\$ (78,157)	\$ -	\$ 2,836	\$ (66,294)	\$ -	\$ (14,824)	\$ 1,193	\$ 43,021	\$ 1,000
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	397,322	-	-	656,624	-	46,570	-	13,801	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	397,322	-	-	656,624	-	46,570	-	13,801	-
Disbursements:									
Instruction	178,637	-	-	576,738	-	30,609	-	97,614	-
Support services	195,484	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	29,278	-	2,556	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	374,121	-	-	606,016	-	33,165	-	97,614	-
Excess (deficiency) of receipts over disbursements	23,201	-	-	50,608	-	13,405	-	(83,813)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	61,236	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	61,236	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,201	-	-	50,608	-	13,405	-	(22,577)	-
Cash and investments - ending	\$ (54,956)	\$ -	\$ 2,836	\$ (15,686)	\$ -	\$ (1,419)	\$ 1,193	\$ 20,444	\$ 1,000

WEST CLARK COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Improving Teacher Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III - English Proficiency Migrant	Technology Literacy Challenge, Title III	McKinney - Vento Education for Homeless	PPD Textbook	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ (6,291)	\$ 4	\$ (4,934)	\$ 27	\$ -	\$ -	\$ 54,873	\$ 16,033	\$ 22,457,116
Receipts:									
Local sources	-	-	-	-	-	-	-	-	15,439,517
Intermediate sources	-	-	-	-	-	-	-	-	349
State sources	-	-	8,878	-	-	-	-	-	29,995,933
Federal sources	33,546	-	-	-	-	-	-	-	2,066,818
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	124,359	1,106,480	10,106,114	11,361,488
Total receipts	33,546	-	8,878	-	-	124,359	1,106,480	10,106,114	58,864,105
Disbursements:									
Instruction	11,250	-	10,047	-	-	-	-	-	23,956,825
Support services	37,775	-	-	-	7,041	-	-	-	13,757,422
Noninstructional services	-	-	-	-	-	-	-	-	2,887,400
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,500,191
Debt service	-	-	-	-	-	-	-	-	7,822,827
Nonprogrammed charges	1,072	-	-	-	-	120,045	1,149,493	9,988,398	11,274,368
Total disbursements	50,097	-	10,047	-	7,041	120,045	1,149,493	9,988,398	61,199,033
Excess (deficiency) of receipts over disbursements	(16,551)	-	(1,169)	-	(7,041)	4,314	(43,013)	117,716	(2,334,928)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	3,643
Transfers in	-	-	-	-	-	-	-	-	103,570
Transfers out	-	-	-	-	-	-	-	-	(110,898)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(3,685)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,551)	-	(1,169)	-	(7,041)	4,314	(43,013)	117,716	(2,338,613)
Cash and investments - ending	\$ (22,842)	\$ 4	\$ (6,103)	\$ 27	\$ (7,041)	\$ 4,314	\$ 11,860	\$ 133,749	\$ 20,118,503

WEST CLARK COMMUNITY SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
West Clark 2000 Building Corporation	School Construction #1 (Refunding 2015)	\$ 4,180,000	7/15/2015	1/15/2023
West Clark 2000 Building Corporation	School Construction #2 (Refunding 2016)	<u>2,079,500</u>	1/15/2016	1/15/2033
Total governmental activities		<u>6,259,500</u>		
Total of annual lease payments		<u>\$ 6,259,500</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Pension Buy Out	\$ 2,414,246	\$ 584,926
Notes and loans payable	Technology Purchases	<u>1,593,935</u>	<u>645,156</u>
Total governmental activities		<u>4,008,181</u>	<u>1,230,082</u>
Totals		<u>\$ 4,008,181</u>	<u>\$ 1,230,082</u>

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,801,741
Buildings	92,136,394
Improvements other than buildings	866,413
Machinery, equipment, and vehicles	<u>23,685,503</u>
Total governmental activities	<u>118,490,052</u>
Total capital assets	<u><u>\$ 118,490,052</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE WEST CLARK COMMUNITY SCHOOLS, CLARK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the West Clark Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in items 2017-003, 2017-005, 2017-009, and 2017-010 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with its Child Nutrition Cluster regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, and Special Tests and Provisions. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

As described in items 2017-005, 2017-006, 2017-007, and 2017-008 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Eligibility, Program Income, Procurement and Suspension and Debarment, and Reporting that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on the Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of its Child Nutrition Cluster regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, and Special Tests and Provisions, and except for the noncompliance described in the *Basis for Qualified Opinion on the Child Nutrition Cluster* paragraphs, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

Unmodified Opinion on the Other Major Federal Program

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

Other Matters

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

Report on Internal Control over Compliance

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, 2017-010, that we consider to be material weaknesses.

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

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 28, 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.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 15-16	\$ -	\$ 202,298	\$ -	\$ -
School Breakfast Program			FY 16-17	-	-	-	178,412
School Breakfast Program				-	-	-	-
Total - National School Breakfast Program				-	202,298	-	178,412
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555	FY 15-16	-	794,092	-	-
School Lunch Program			FY 16-17	-	-	-	740,543
Commodities			FY 15-16	-	128,061	-	-
Commodities			FY 16-17	-	-	-	149,088
Total - National School Lunch Program				-	922,153	-	889,631
Total - Child Nutrition Cluster				-	1,124,451	-	1,068,043
Total - Department of Agriculture				-	1,124,451	-	1,068,043
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14214-022-PN01	-	91,661	-	-
Special Education Grants to States			14215-022-PN01	-	640,903	-	84,542
FY 2015 Federal Part B 611 Grant			14216-020-PN01	-	459,282	-	850,199
FY 2016 Federal Part B 611 Grant			14217-020-PN01	-	-	-	290,599
FY 2017 Federal Part B 611 Grant			99914-22-TA01	-	10,254	-	-
Special Education_Grants to States				-	-	-	-
Total - Special Education_Grants to States				-	1,202,100	-	1,225,340

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Special Education_Preschool Grants	Indiana Department of Education						
Special Education Preschool Grants		84.173	45714-022-PN01	-	3,340	-	-
FY 2015 Federal Preschool 619 Grant			45715-022-PN01	-	23,363	-	9,331
FY 2016 Federal Preschool 619 Grant			45716-020-PN01	-	-	-	27,184
Total - Special Education_Preschool Grants				-	26,703	-	36,515
Total - Special Education Cluster				-	1,228,803	-	1,261,855
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I Part A		84.010	15-0940	-	146,960	-	-
Title I Part A			16-0940	-	297,653	-	124,386
Title I Part A			17-0940	-	-	-	272,935
Title I Part D			15-0940	-	1,674	-	-
Total - Title I Grants to Local Educational Agencies				-	446,287	-	397,321
English Language Acquisition State Grants	Indiana Department of Education						
Title III		84.365	01114-008-PN01	-	1,351	-	-
Title III			01115-008-PN01	-	11,879	-	3,478
Title III			01116-008-PN01	-	7,871	-	5,400
Total - English Language Acquisition State Grants				-	21,101	-	8,878
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	Indiana Department of Education						
Title II-A		84.367	2013/15	-	12,666	-	-
Title II-A			2014/16	-	86,519	-	16,119
Title II-A			2015/17	-	22,624	-	17,428
Total - Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)				-	121,809	-	33,547
Total - Department of Education				-	1,818,000	-	1,701,601
Total federal awards expended				\$ -	\$ 2,942,451	\$ -	\$ 2,769,644

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

WEST CLARK COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Clark County Special Education Co-op

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.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses 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
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies	Qualified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. There was a lack of segregation of duties as the School Corporation had not separated compatible activities related to receipts and payroll disbursements.

Receipts

The Associate Superintendent of Schools/Treasurer prepared the daily deposits, deposited the funds in the bank, and prepared a listing of receipts for posting into the ledger. No evidence was presented for audit that a second review of the receipts was performed prior to posting into the ledger.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Payroll Disbursements

There was no documentation of a review of before it was submitted for direct deposit.

Context

The lack of internal controls were systemic issues, 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, receipts, and payroll disbursements.

Views of Responsible Officials

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

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-001 from the immediately prior audit.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The federal award information within the School Corporation's Annual Report on the Indiana Gateway for Government Units financial reporting system, which was used to generate the School Corporation's SEFA, was entered by the Deputy Treasurer without a process in place to ensure its accuracy before submission.

Context

The lack of internal controls were systemic issues, 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 had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

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

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 2017-003

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed and Allowable Costs/Cost Principles
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 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

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 Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements. The School Corporation had established the control that all school lunch employees' time cards were reviewed and approved by a Supervisor. However, of the 42 time cards tested, 3 time cards were not approved by a Supervisor.

Beginning with the 2016-2017 school year, the School Corporation contracted with a food service provider. Supporting documentation was not presented for audit to indicate how the amounts of the monthly invoices from the food service provider were determined and, therefore, we were unable to determine if the amount paid to the food service provider was for activities and costs that were allowable. We consider the total amount paid to the food service provider during the 2016-2017 school year of \$526,932 to be questioned costs.

Context

The lack of controls was a systemic issue throughout the audit period. The lack of adequate supporting documentation for the invoices from the food service provider occurred in the 2016-2017 school year.

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. . . ."

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 220.7(e)(1) states in part:

". . . (ii) . . . use all revenues received by such food service only for the operation or improvement of that food service . . .

(iii) Revenues received by the nonprofit school food service shall not be used to purchase land or buildings or to construct buildings; . . ."

7 CFR 210.14(a) states in part: ". . . Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

2 CFR 200.333 states in part:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Questioned Costs

Questioned costs of \$526,932 were identified for the audit period, as detailed in the *Condition*.

Recommendation

We recommended that the School Corporations' management establish controls and ensure that documentation will be maintained and made available for audit.

Views of Responsible Officials

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

FINDING 2017-004

Subject: Child Nutrition Cluster - Internal Controls over Cash Management
and Special Tests and Provisions - School Food Accounts

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Special Tests and Provisions - School Food Accounts

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding number was 2015-006.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management and Special Tests and Provisions - School Food Account.

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.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Special Tests and Provisions - School Food Accounts

The School Corporation did not have effective internal controls over the Special Tests and Provisions - School Food Accounts compliance requirement. There was no documentation of a procedure in place to ensure the accuracy of bank deposits and the corresponding entry of the transaction in the ledger. In addition, there was no documentation of a procedure verifying Fund 800 only included receipts and disbursement related to food service.

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation's management had not designed or implemented internal controls which would ensure compliance with Cash Management and Special Tests and Provisions - School Food Accounts.

Effect

The failure to establish an effective internal control system could have enabled noncompliance with the compliance requirements listed above and could have resulted in lost funding.

Questioned Costs

There were no questioned costs identified.

WEST CLARK COMMUNITY SCHOOLS
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 compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2017-005

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding number was 2015-004.

Condition

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

During the 2015-2016 school year, the Food Service Director was solely responsible for inputting applicant information into the program. The program automatically calculated eligibility based upon the data that was entered into the program by the Food Service Director. There was no evidence of an independent review to ensure that the Food Service Director was correctly entering applicant data into the program. Of the 40 applications tested, 2 of the applications were not properly recorded in the system, resulting in incorrect eligibility determinations. Both these applications were during the 2015-2016 school year.

Additionally, the School Corporation was required to provide written notice to applicants of the eligibility criteria. There was no evidence presented for audit that indicated that this requirement was met in either school year.

Context

The failure to retain supporting documentation of written notice to applicants of the eligibility criteria was a systemic problem throughout the audit period. The internal control issues and the inputting of applicants' information correctly was isolated to 2015-2016.

WEST CLARK COMMUNITY SCHOOLS
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 245.3(b) states in part:

"Each participating local educational agency and all participating schools under its jurisdiction must adhere to the eligibility criteria specified in this part. Local educational agencies must include these eligibility criteria in their policy statement as required under 245.10 and it must be publicly announced in accordance with the provisions of 245.5. . . ."

7 CFR 245.6(c) states in part:

". . . The local educational agency must determine household eligibility for free or reduced price meals either through direct certification or the application process at or about the beginning of the school year. The local education agency must determine eligibility for free or reduced price meals when a household submits an application or, if feasible, through direct certification, at any time during the school year. . . ."

2 CFR 200.333 states in part:

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

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance and that proper supporting documentation was maintained and made available for audit relating to the Eligibility compliance requirement.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish effective internal controls enabled material noncompliance to go undetected and the failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and that supporting documentation will be maintained and made available for audit relating to the Eligibility compliance requirement.

Views of Responsible Officials

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

FINDING 2017-006

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding numbers were 2015-003.

Condition

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

Procurement

The School Corporation did not obtain any price or rate quotes from an adequate number of sources for purchases of goods or services.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Suspension and Debarment

There were no controls in place to ensure that vendors were not suspended or debarred from participation in federal programs. 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 effective controls and noncompliance were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR section 200.320 states in part:

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

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

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

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

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 180.300 states:

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

You do this by:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the procurement and suspension and debarment requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-007

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding number was 2015-006.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 Program Income compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded. An oversight, review, or approval process had not been established.

The School Corporation's receipts for one of the two months tested did not have proper documentation to support the amount that was transferred into the School Lunch fund.

Context

This 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). . . ."

7 CFR 210.14(c) states:

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

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

Cause

The School Corporation had not designed or implemented a system of internal controls that would have ensured an adequate financial management system was established to ensure compliance with the Program Income compliance requirement.

WEST CLARK COMMUNITY SCHOOLS
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 compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-008

Subject: Child Nutrition Cluster - Reporting
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 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding number was 2015-006.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with the reporting requirements. The Monthly Sponsor Claims (claims for reimbursement) was prepared by the Treasurer and were reviewed by either the Deputy Treasurer or the Food Service Director. However, there was no documentation to verify that this review occurred.

The two of the four Monthly Sponsor Claims (claims for reimbursement) tested had errors in the amounts claimed for reimbursement as follow:

1. During the month of September 2015, the meal counts for free and reduced meals at each school had been transposed during data entry into the Indiana Department of Education (IDOE) website for Sponsor Claim (claims for reimbursement). The School Corporation's records showed that the amount of free and reduced breakfast and lunches for all schools combined equaled a reimbursement amount of \$106,141; however, the amount of reimbursement for free and reduced breakfast and lunches reported to the IDOE equaled \$107,383. The result was an overpayment of \$1,242.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. During the month of September 2016, the meal counts for free and reduced meals at Borden Elementary and Borden Jr. and Sr. High schools had been transposed during data entry into the IDOE website for Sponsor Claims (claims for reimbursement). The School Corporation's records showed that the amount of free and reduced breakfast and lunches for these two schools equaled a reimbursement amount of \$15,198; however, the amount of reimbursement for free and reduced breakfast and lunches reported to the IDOE totaled \$15,621. The result was an overpayment of \$423.

Context

The lack of internal controls and errors made on reporting on the Monthly Sponsor Claims (claims for reimbursement) occurred on two of four claims tested.

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 3016.20(b) states in part:

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

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

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:
. . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

Cause

The School Corporations' management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

Effect

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

Questioned Costs

Questioned costs of \$1,665 were identified, as detailed in the *Condition*.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-009

Subject: Child Nutrition Cluster - Reporting, Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Number): FY 15-16

Pass-Through Entity: Indiana Department of Education

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

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding number was 2015-006.

WEST CLARK COMMUNITY SCHOOLS
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 Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

The 2015-2016 School Food Authority (SFA) Verification Collection Report (Verification Report) and the supporting documentation for the applications which were verified was not presented for audit. Therefore, compliance with the verification requirements could not be determined.

Context

The lack of controls and failure to maintain and provide appropriate supporting documentation were issues during the 2015-2016 school year.

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 245.6a(h) states in part:

"*Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . . All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which documents were submitted by the household and the date of submission. All relevant correspondence between the households selected for verification and the school or local educational agency must be retained. Local educational agencies are encouraged to collect and report any or all verification data elements before the required dates."

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The School Corporation had not developed a system of internal controls to ensure that documentation was maintained and made available for audit related to the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of compliance with the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish controls to ensure that documentation related to the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements will be maintained and made available for audit.

Views of Responsible Officials

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

FINDING 2017-010

Subject: National School Lunch Program - 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 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior year finding number was 2015-005.

Condition

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

The School Corporation did not present for audit any evidence that the required paid lunch equity or their weighted average price calculations were completed for the school year 2015-2016.

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

Internal control issues were systemic throughout the audit period. Documentation supporting the paid lunch equity calculation was not presented for audit for the 2015-2016 school year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.15(b) states in part:

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

- (6) Records to document compliance with the requirements in § 210.14(e); . . ."

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. . . ."

2 CFR 200.333 states in part:

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

WEST CLARK COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement. In addition, the School Corporation had not developed a system of internal controls to ensure that documentation was maintained and made available for audit related to the Special Tests and Provisions - Paid Lunch Equity.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation. In addition, the failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with 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 establish controls to ensure compliance and comply with the Special Tests and Provisions - Paid Lunch Equity compliance requirement. We also recommended that the School Corporation's management establish controls to ensure that documentation will be maintained and made available for audit related to 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, which is part of this report.

AUDITEE-PREPARED DOCUMENTS

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

SCHOOL BOARD

Doug Coffman, President
Brian Hurst, Vice President
Crystal Gunther, Secretary
Brian Guernsey, Member
Joe Basham, Member

West Clark Community Schools

601 RENZ AVENUE
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www.wclark.k12.in.us

"Pathways for Everyone"

ADMINISTRATION

Clemen Perez-Lloyd, Interim Supt.
of Schools
Thomas Brillhart, Asst. Supt.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Treasurer
Contact Phone Number: 812-246-3375

Status of Audit Finding:

The Deputy Treasurer will report all federal awards on the SEFA via the Annual Report in Gateway each school year. Federal award folders and the CFDA website should be utilized to confirm the correct CFDA numbers and identifying award numbers are used on the SEFA. The Special Ed Cluster will include any amounts spent by the Greater Clark County Special Education Coop per their reports submitted each school year through 2016 while they were the LEA for these grants. School Lunch Commodities are to be included on the SEFA under the Federal Non Cash Assistance column. All federal award folders will be given to the Associate Superintendent/Treasurer for verification before the SEFA is submitted for final approval in Gateway. Since we don't have an Associate Superintendent/Treasurer currently, the SEFA will be checked by the Accounting Clerk, who is a new person in the Finance Department that will be taking over the reconciliation/maintenance of all local and federal grants by the end of SY 2019. This duty will return to the Associate Superintendent/Treasurer once the position is hired.

This finding will be corrected by the end of the SY 2019.



(Signature)

Deputy Treasurer

(Title)

11-7-18

(Date)

MISSION STATEMENT

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AN EQUAL OPPORTUNITY EMPLOYER

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Treasurer
Contact Phone Number: 812-246-3375

Status of Audit Finding:

The A/P Clerk enters invoices and will run a report for the Deputy Treasurer to approve before checks are printed. The Deputy Treasurer was responsible for printing checks, but the A/P Clerk will now do this to help segregate duties. The Accounting Clerk will be trained to do Bank Reconciliations, which will be reviewed and approved by the Deputy Treasurer.

This finding will be corrected by the end of the SY 2019.

Patricia Kelley

(Signature)

Deputy Treasurer

(Title)

11-7-18

(Date)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Treasurer
Contact Phone Number: 812-246-3375

Status of Audit Finding:

The Wilson Center is currently used for food service procurement. The Cafeteria Director will ensure that we have record of all Certifications of Suspension and Debarment on file for any vendors used through the procurement site, as well as any vendors used outside of the procurement site.

This finding will be corrected as of the end of the SY 2019.

Patricia Kelley

(Signature)

Deputy Treasurer

(Title)

11-7-18

(Date)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

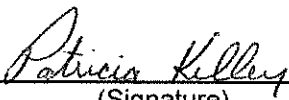
FINDING 2015-004

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Treasurer
Contact Phone Number: 812-246-3375

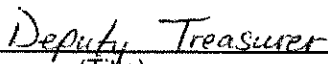
Status of Audit Finding:

During the 2016-2017 school year, an Accounting Clerk was hired and trained in processing free and reduced applications and to help with segregation of duties. This individual, along with the Cafeteria Director worked together to ensure that applications were properly maintained and filed. In 2018, another Accounting Clerk was hired and continues to be trained as the second person for oversight to the accuracy of the benefits attributable to the free and reduced applications instead of the Cafeteria Director. All information on the application will be properly completed, along with all backup material and appropriate signatures confirming approval and completed reviews. Paper applications will be entered by one Accounting Clerk and signed off for determination. For the first two months of each school year, the second Accounting Clerk will pull a sample of the paper applications from each school to verify them for accuracy. Crosschecking between the two Accounting Clerks will support the accuracy and timeliness of the application of benefits.

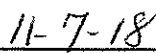
This finding will be corrected as of the end of the SY 2019.



(Signature)



(Title)



(Date)

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Thomas Brillhart, Asst. Supt.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-005

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Treasurer
Contact Phone Number: 812-246-3375

Status of Audit Finding:

The Cafeteria Director will use the Paid Lunch Equity Price Calculator to establish the appropriate lunch price and maintain a copy of the equity tool for verification. Once the calculations are complete, they will be submitted to the Superintendent for review and approval. A memo will be drafted of proposal and all prices will be clearly listed on the agenda when submitted to the West Clark Board of Trustees for approval. All documentation will be filed for verification purposes. This finding will be complete by the end of the SY 2019.

Patricia Kelley

(Signature)

Deputy Treasurer

(Title)

11-7-18

(Date)

MISSION STATEMENT

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-006

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Director
Contact Phone Number: 812-246-3375

Status of Audit Finding:

Control to ensure that the account balance in the food service does not exceed three months average expenditures will be accomplished by having the Deputy Treasurer calculate the average expenditures for the month and then have the Accounting Clerk verify the calculation. These worksheets will be filed for future verification.

Control to ensure that there is a proper segregation of duties over the collection of monies at each cafeteria will be accomplished by having the Cafeteria Managers not work any of the cashier terminals. The Cafeteria Manager will verify the cash drawer report with the cashier. When the money is ready to be deposited, Deposit Reports are printed from the software and verified against the money collected for the day. Cafeteria Managers are not allowed to make any adjustments to a child's account...they are to inform the Accounting Clerk of any adjustments that need to be made.

The Sponsor Claim will be drafted by the Accounting Clerk with proper reports from the cafeteria software. This draft will then be verified and approved by the Deputy Treasurer before being entered on the Indiana Food Nutrition website by the Accounting Clerk. Copies of Sponsor Claims will be printed to keep with the draft reports for verification purposes.

Eligibility for free and reduced applications is done by the Accounting Clerk and then verified by a sampling of those applications at the beginning of each school year by a different clerk for accuracy purposes. Verification of the applications is done by an Accounting Clerk and then approved by the Superintendent when complete.

The Accounting Clerk will reconcile the prepaid meal control account using a worksheet designed for that function, at least on a monthly basis and will submit that report to the Deputy Treasurer for approval and verification.

This finding will corrected by the end of the SY 2019.

MISSION STATEMENT

West Clark Community Schools' mission is to provide engaging opportunities that prepare students to meet tomorrow's challenges.
AN EQUAL OPPORTUNITY EMPLOYER

Patricia Kelly
(Signature)

Deputy Treasurer
(Title)

11-07-18
(Date)

SCHOOL BOARD

Doug Coffman, President
Brian Hurst, Vice President
Crystal Gunther, Secretary
Brian Guernsey, Member
Joe Basham, Member

West Clark Community Schools

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ADMINISTRATION

Clemen Perez-Lloyd, Interim Supt.
of Schools
Thomas Brillhart, Asst. Supt.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-007

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Director
Contact Phone Number: 812-246-3375

Status of Audit Finding:

The Superintendent will establish with the building Principals a process using the district's student data management system that identifies students with ten consecutive days of absence, students that do not show up at the beginning of the school year or students that are marked absent without reason. Students in these categories will be flagged at the central office and a report will be generated monthly for the Superintendent to determine appropriate action. The Superintendent will sign off on all students that have been identified as unaccounted for with the corresponding exit report signed by the building Principal and Attendance Officer. The Superintendent will verify the students in each cohort to be checked against the graduating class each year. The final cohort report will be kept on file at central office identifying students retained in a cohort and students who left the cohort with a corresponding reason using codes provided by the State of Indiana. The cohort report will be signed by the Superintendent, the building Principal and the Attendance Officer.

This finding will be corrected by the end of the SY 2019.

Patricia Kelley

(Signature)

Deputy Treasurer

(Title)

11-7-18

(Date)

MISSION STATEMENT

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ADMINISTRATION

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-008

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Patricia Kelley, Deputy Director
Contact Phone Number: 812-246-3375

Status of Audit Finding:

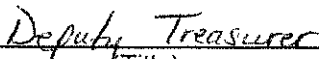
The Grants Director and Deputy Treasurer will meet every month to go over the transactions charged to the Title I Program. Detailed expenditure reports will be presented for the current time-period of the reimbursement and reconciled. A reimbursement request will be completed and submitted with the approval of the Grants Director after reconciliation of the fund.

The Accounting Clerk will secure all free and reduced applications including direct certifications beginning with school registration and continuing throughout the year. Technology personnel will enter all students qualifying for free and reduced lunch into the student data management system. The Superintendent and the Accounting Clerk will verify these entries. This data will be submitted to the state in the DOE-TI report. After the state designated time for cleaning up the TI report in October, it will be compared to the data that is in the district's student data management system. This will generate a report by which discrepancies can be corrected or a reason for the discrepancy can be verified. The Superintendent and the Assistant Superintendent will sign off on this report.

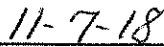
This finding will be corrected by the end of the SY 2019.



(Signature)



(Title)



(Date)

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ADMINISTRATION

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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Patty Kelley and Todd Voigt
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Receipts

Our Receptionist will start listing all forms of payment received in house on a worksheet from the mail and from our schools. They will sign and date the sheet every day to verify that they received the payments. Once recorded, the payments will be given to the Deputy Treasurer. When a deposit is ready to be processed, the Deputy Treasurer will collect those worksheets and verify that their payments match what the Receptionist recorded. A Daily Deposit will be filled out with the payments and given to the A/P Clerk. The deposit will be given to the Accounting Clerk to take to the bank. When they return, the deposit slip will be given to the A/P Clerk and they will enter the receipts and attach the deposit slip to the paperwork. Receipts are signed by the Deputy Treasurer, returned to the A/P Clerk and filed.

Payroll Distributions

In an effort to ensure the integrity and accuracy of the payroll disbursement process, the following controls will be implemented:

New hires:

New hires are recommended to the Superintendent and are placed on the Board Agenda for approval by the Director of Human Resources. The Board votes on additions to the corporation payroll on the agenda of regular board meetings. The new hires are then added to the payroll system by the payroll staff after the board has approved the new assignments. (This process is in place now.) Moving forward the Director of Human Resources shall verify the additions by cross-referencing the new appointments from the board agenda with the new hire report. This process applies to regular full-time, regular part-time, temporary, and Extra Curricular Assignments (ECA).

Hours Paid:

To ensure the appropriate amounts are paid to classified and certificated employees each pay period the following processes will be utilized.

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For certificated employees, the regular contract pay (which should be constant for the duration of the contract) will be evaluated against prior pay periods and ECA, extra pay, and deduct pay reports will be reviewed to determine the amount for the current pay period. The Director of Human Resources will sign off on the Payroll Calculation Summary report approving the certified pay for that pay period.

For classified employees, the following reports will be utilized to reconcile the amounts for each pay period: The building report summary and time clock punch detail report will be used to reconcile back to the amounts that appear on the Payroll Calculation Summary Report. When the reconciliation has been completed, the Director of Human Resources will sign off on the Payroll Calculation Summary report approving the classified employee pay for that pay period.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelly
(Signature)

Deputy Treasurer
(Title)

11-14-18
(Date)

SCHOOL BOARD

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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Patty Kelley and Jennifer Voignier
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Deputy Treasurer will report all federal awards on the SEFA via the Annual Report in Gateway each school year. Federal award folders and the CFDA website should be utilized to confirm the correct CFDA numbers and identifying award numbers are used on the SEFA. The Special Ed Cluster will include any amounts spent by the Greater Clark County Special Education Coop per their reports submitted each school year through 2016 while they were the LEA for these grants. School Lunch Commodities are to be included on the SEFA under the Federal Non Cash Assistance column. All federal award folders will be given to the Associate Superintendent/Treasurer for verification before the SEFA is submitted for final approval in Gateway. Since we don't have an Associate Superintendent/Treasurer currently, the SEFA will be checked by the Accounting Clerk, who is a new person in the Finance Department that will be taking over the reconciliation/maintenance of all local and federal grants by the end of SY 2019. This verification/approval duty will return to the Associate Superintendent/Treasurer when or if the position is hired by the end of the SY 2019.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

MISSION STATEMENT

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ADMINISTRATION

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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Patty Kelley and Todd Voigt
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

All cafeteria staff currently do an electronic punch for timecards. All timecards will be approved at the school level by the Principal of that building before coming over to the Central Office for processing. Reports will be printed upon request to show proper approval at the school level. With the hiring of a new Food Service Manager, this procedure might change by the end of the SY 2019.

All invoices for the food service program will be filed together with each voucher. All backup paperwork will be required to stay with the invoice and voucher. Copies will be made of the paperwork if any other filing requirements need to be fulfilled.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Becky Arnold and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Cash Management

Control to ensure that the account balance in the food service does not exceed three months average expenditures will be accomplished by having the Deputy Treasurer calculate the average expenditures for the month and then have the Accounting Clerk verify the calculation. These worksheets will be filed for future verification.

Special Tests and Provisions-School Food Accounts

Control to ensure that there is a proper segregation of duties over the collection of monies at each cafeteria will be accomplished by having the Cafeteria Managers not work any of the cashier terminals. The Cafeteria Manager will verify the cash drawer report with the cashier. When the money is ready to be deposited, Deposit Reports are printed from the software and verified against the money collected for the day. Cafeteria Managers are not allowed to make any adjustments to a child's account...they are to inform the Accounting Clerk of any adjustments that need to be made. The Accounting Clerk will reconcile the prepaid meal control account using a worksheet designed for that function, at least on a monthly basis and will submit that report to the Deputy Treasurer for approval and verification.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Becky Arnold and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

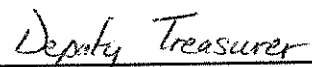
Description of Corrective Action Plan:

During the 2016-2017 school year, an Accounting Clerk was hired and trained in processing free and reduced applications and to help with segregation of duties. This individual, along with the Cafeteria Director worked together to ensure that applications were properly maintained and filed. In 2018, another Accounting Clerk was hired and continues to be trained as the second person for oversight to the accuracy of the benefits attributable to the free and reduced applications. All information on the application will be properly completed, along with all backup material and appropriate signatures confirming approval and completed reviews. Paper applications will be entered by one Accounting Clerk and signed off for determination. For the first two months of each school year, the second Accounting Clerk will pull a sample of the paper applications from each school to verify them for accuracy. Crosschecking between the two Accounting Clerks will support the accuracy and timeliness of the application of benefits.

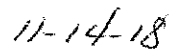
Anticipated Completion Date: By the end of the SY 2018/2019



(Signature)



(Title)



(Date)

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ADMINISTRATION

Clemen Perez-Lloyd, Interim Supt.
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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Joshua Sinclair and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

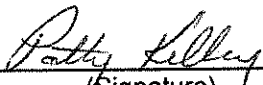
Procurement

The Food Services Manager will ensure that procurement outside of the Wilson Center, will follow 2 CFR 200.320. The cost of the item considered for procurement will be calculated for the span of the school year and then it will be decided upon if the micro-purchases, small purchases or sealed bid process should be used. The Wilson Center will be utilized as much as possible for any food service purchases.

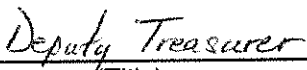
Suspension and Debarment

The Wilson Center is currently used for food service procurement. The Food Service Manager will ensure that we have record of all Certifications of Suspension and Debarment on file for any vendors used through the procurement site, as well as any vendors used outside of the procurement site.

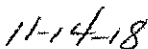
Anticipated Completion Date: By the end of the SY 2018/2019



(Signature)



(Title)



(Date)

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ADMINISTRATION

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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-007

Contact Person Responsible for Corrective Action: Becky Arnold and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

A transfer of cafeteria sales is done once a month. Proper reports from Infinite Campus are printed and entered into a worksheet that calculates daily sales by the cafeteria. The amounts listed on the worksheet are verified by the sales reports. Accounts Payable Vouchers are prepared by the Accounting Clerk and submitted to the Deputy Treasurer for verification and approval. Once approved, the vouchers are entered into the accounting system and then a receipt is prepared to move the money from the Clearing Prepaid Fund to the School Lunch Fund. All supporting reports and documentation is kept with the A/P Voucher and the corresponding Receipt.

The Accounting Clerk will reconcile the prepaid meal control account using a worksheet designed for that function, at least on a monthly basis and will submit that report to the Deputy Treasurer for approval and verification. This will help ensure proper balances per the monthly sales and the student balance reports.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2017-008

Contact Person Responsible for Corrective Action: Becky Arnold and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Accounting Clerk with proper reports from the cafeteria software will draft the Sponsor Claim. This draft will then be verified and approved by the Deputy Treasurer. The Accounting Clerk and the Deputy Treasurer will enter the data on the Indiana Food Nutrition website together to ensure no errors in data entry. Copies of Sponsor Claims will be printed to keep with the draft reports and for verification that amounts were entered correctly when the claim is receipted.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2017-009

Contact Person Responsible for Corrective Action: Becky Arnold and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Eligibility for free and reduced applications is done by the Accounting Clerk and then verified by a sampling of those applications at the beginning of each school year by a different clerk for accuracy purposes. Verification of the applications is done by the Accounting Clerk and then approved by the Superintendent when complete. The Accounting Clerk will maintain proper documentation of Verification Reports and Verification Letters pertaining to those reports.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

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Thomas Brillhart, Asst. Supt.

CORRECTIVE ACTION PLAN

FINDING 2017-010

Contact Person Responsible for Corrective Action: Joshua Sinclair and Patty Kelley
Contact Phone Number: 812-246-3375

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Food Services Manager will use the Paid Lunch Equity Price Calculator to establish the appropriate lunch price and maintain a copy of the equity tool for verification. Once the calculations are complete, they will be submitted to the Superintendent for review and approval. A memo will be drafted of proposal and all prices will be clearly listed on the agenda when submitted to the West Clark Board of Trustees for approval. All documentation will be filed for verification purposes.

Anticipated Completion Date: By the end of the SY 2018/2019

Patty Kelley

(Signature)

Deputy Treasurer

(Title)

11-14-18

(Date)

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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/>.