

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WARRICK COUNTY SCHOOL CORPORATION
WARRICK COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
03/27/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Patricia L. Jones	07-01-16 to 04-30-19
Superintendent of Schools	Brad Schneider	07-01-16 to 06-30-19
President of the School Board	Gary Hachmeister Thomas Welch Tim Mosbey	01-01-16 to 12-31-16 01-01-17 to 12-31-18 01-01-19 to 12-31-19



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WARRICK COUNTY SCHOOL
CORPORATION, WARRICK COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Warrick County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, 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, 2016 to June 30, 2018.

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, 2016 to June 30, 2018, 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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 7, 2019, 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

March 7, 2019



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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 WARRICK COUNTY SCHOOL
CORPORATION, WARRICK 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 Warrick County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated March 7, 2019, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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*.

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

March 7, 2019

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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.

WARRICK COUNTY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 9,416,632	\$ 65,796,282	\$ 66,738,453	\$ (174,714)	\$ 8,299,747	\$ 65,715,631	\$ 65,807,937	\$ 117,533	\$ 8,324,974
Debt Service	3,769,267	5,803,043	6,060,490	-	3,511,820	5,243,497	7,224,500	2,374	1,533,191
Capital Projects	4,068,582	10,694,424	10,617,960	(2,091,151)	2,053,895	10,713,518	9,177,417	(710,110)	2,879,886
School Transportation	3,185,124	7,436,197	7,013,546	-	3,607,775	7,692,141	7,142,323	(376,000)	3,781,593
School Bus Replacement	865,472	666,816	863,225	-	669,063	691,743	452,526	-	908,280
Rainy Day	1,900,125	20,193	1,785,635	2,091,151	2,225,834	14,719	1,982,724	1,087,436	1,345,265
Post-Retirement/Severance Future Benefits	5,503	-	79,313	200,000	126,190	1,193	20,316	-	107,067
Construction	34,518	-	5,921	-	28,597	-	1,334,281	4,484,544	3,178,860
Construction (Insurance)	16,184	-	16,184	-	-	-	-	-	-
General Obligation Bonds	3,385,881	-	1,927,695	-	1,458,186	-	774,579	-	683,607
School Lunch	420,950	5,356,857	5,271,145	-	506,662	5,370,225	5,384,455	-	492,432
Prepaid Meals	-	-	-	-	-	3,301,460	3,213,397	-	88,063
Textbook Rental	1,056,608	904,401	1,416,312	-	544,697	843,943	1,219,836	-	168,804
Self-Insurance	6,100,448	8,395,832	9,001,921	-	5,494,359	8,211,580	8,555,090	-	5,150,849
Alternative Education	(2,874)	-	(2,874)	-	-	12,639	12,639	-	-
Alternative Ed Grant	-	13,156	13,156	-	-	-	-	-	-
SAFE School Haven (2017)	-	-	-	-	-	30,000	30,000	-	-
SAFE School Haven (2016)	-	30,000	-	-	30,000	-	-	-	30,000
WCSC Educator's Scholarship	1,150	-	-	-	1,150	-	-	-	1,150
Imagination Library	-	-	-	-	-	41,489	5,110	-	36,379
College Success Coalition 14-15	6,000	-	6,000	-	-	-	-	-	-
Wellborn Heroes Grant (NES) 15-18	4,985	15,065	15,789	-	4,261	24,565	7,665	-	21,161
Alcoa - Lead the Way (CHS)	17,500	17,500	30,767	-	4,233	-	4,233	-	-
Monsanto 2017	-	10,000	6,117	-	3,883	-	3,883	-	-
USI Enhancement (BHS)	-	-	-	-	-	3,598	3,598	-	-
Greiner Family Foundation	-	-	-	-	-	30,374	5,374	-	25,000
Alcoa - Recycling Initiative	8,000	-	-	-	8,000	-	8,000	-	-
Alcoa Robotics! (2017-19)	-	-	-	-	-	22,500	20,074	-	2,426
PLTW Launch Grant 2018-20 (LYN)	-	-	-	-	-	7,500	-	-	7,500
Blossom Through Stem (BMS)	-	5,000	-	-	5,000	-	5,000	-	-
Toyota Grant CHS (2018)	-	-	-	-	-	30,000	-	-	30,000
WCSC-Disaster Relief Donation	5	-	-	-	5	-	-	-	5
Formative Assessment	-	107,073	28,226	-	78,847	124,991	203,838	-	-
High Ability 16-17	-	66,778	66,778	-	-	-	-	-	-

WARRICK COUNTY SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
High Ability 17-18	-	-	-	-	-	66,987	66,987	-	-
Secured Schools Safety Grant	-	33,043	33,043	-	-	-	-	-	-
Non-English Speaking Programs (2016-17)	-	16,980	16,980	-	-	-	-	-	-
Non-English Speaking Programs (2017-18)	-	-	-	-	-	21,750	16,638	-	5,112
School Technology	49,152	10,628	46,908	-	12,872	14,250	-	-	27,122
Career and Technical Performance Grant	-	35,621	-	-	35,621	31,374	39,082	-	27,913
Performance Based Awards	-	-	-	-	-	303,958	303,958	-	-
IN Early Literacy Intervention 2016	10,363	-	10,363	-	-	-	-	-	-
IN Early Literacy Intervention 2017	-	52,994	52,612	-	382	-	382	-	-
IN Early Literacy Intervention 2018	-	-	-	-	-	48,827	37,383	-	11,444
Innovative Planning Grant (2017)	-	-	2,500	-	(2,500)	30,000	27,500	-	-
Title I 16-8130	(98,848)	363,542	264,694	-	-	-	-	-	-
Title I 17-8130	-	576,894	650,412	-	(73,518)	337,793	264,275	-	-
Title I 18-8130	-	-	-	-	-	531,622	593,011	-	(61,389)
Special Ed (611) 2016	(195,320)	437,515	242,195	-	-	-	-	-	-
Special Ed (611) 2017	-	2,010,817	2,220,826	-	(210,009)	210,009	-	-	-
Special Ed (611) 2018	-	-	-	-	-	1,833,454	2,043,195	-	(209,741)
Special Ed (619) 2017	-	113,091	113,091	-	-	-	-	-	-
Special Ed (619) 2018	-	-	-	-	-	112,426	112,426	-	-
Title II, Part A 15-17	(19,270)	161,137	141,867	-	-	-	-	-	-
Title II, Part A 16-18	-	44,284	64,362	-	(20,078)	180,390	163,499	-	(3,187)
Title II, Part A 17-19	-	-	-	-	-	127,470	142,848	-	(15,378)
Title III 2016-17	-	12,382	12,382	-	-	1,886	1,886	-	-
Title III 2017-18	-	-	-	-	-	5,965	5,965	-	-
Payroll Clearing	-	19,080,326	19,080,326	-	-	18,155,874	18,155,201	-	673
Totals	<u>\$ 34,006,137</u>	<u>\$ 128,287,871</u>	<u>\$ 133,914,320</u>	<u>\$ 25,286</u>	<u>28,404,974</u>	<u>\$ 130,141,341</u>	<u>\$ 134,573,031</u>	<u>\$ 4,605,777</u>	<u>\$ 28,579,061</u>

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

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Disbursement

The financial statement contains a disbursement which appears as a negative entry. This is a result of an adjusting entry made to close out the fund.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant funds that operate on a reimbursement basis. The grant funds were expected to have negative balances because of the manner in which the grants are administered. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2017 and 2018.

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Holding Corporation

The School Corporation has entered into a capital lease with Castle Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2017 and 2018, totaled \$5,656,670 and \$5,636,845, respectively.

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OTHER INFORMATION - UNAUDITED

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

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

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

WARRICK COUNTY SCHOOL CORPORATION
 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	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 9,416,632	\$ 3,769,267	\$ 4,068,582	\$ 3,185,124	\$ 865,472	\$ 1,900,125	\$ 5,503
Receipts:							
Local sources	1,360,346	5,803,043	10,694,424	7,419,977	666,816	6,292	-
Intermediate sources	4,023	-	-	-	-	-	-
State sources	64,367,929	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	63,984	-	-	16,220	-	13,901	-
Total receipts	65,796,282	5,803,043	10,694,424	7,436,197	666,816	20,193	-
Disbursements:							
Instruction	45,401,388	-	-	-	-	-	23,669
Support services	19,761,108	-	3,147,268	7,013,546	863,225	-	55,644
Noninstructional services	1,573,577	-	-	-	-	-	-
Facilities acquisition and construction	2,380	-	7,470,692	-	-	1,785,635	-
Debt service	-	6,060,490	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	66,738,453	6,060,490	10,617,960	7,013,546	863,225	1,785,635	79,313
Excess (deficiency) of receipts over disbursements	(942,171)	(257,447)	76,464	422,651	(196,409)	(1,765,442)	(79,313)
Other financing sources (uses):							
Sale of capital assets	25,286	-	-	-	-	-	-
Transfers in	-	-	-	-	-	2,091,151	200,000
Transfers out	(200,000)	-	(2,091,151)	-	-	-	-
Total other financing sources (uses)	(174,714)	-	(2,091,151)	-	-	2,091,151	200,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,116,885)	(257,447)	(2,014,687)	422,651	(196,409)	325,709	120,687
Cash and investments - ending	\$ 8,299,747	\$ 3,511,820	\$ 2,053,895	\$ 3,607,775	\$ 669,063	\$ 2,225,834	\$ 126,190

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	Construction	Construction (Insurance)	General Obligation Bonds	School Lunch	Prepaid Meals	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 34,518	\$ 16,184	\$ 3,385,881	\$ 420,950	\$ -	\$ 1,056,608	\$ 6,100,448
Receipts:							
Local sources	-	-	-	3,377,736	-	668,927	8,395,832
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	68,035	-	235,474	-
Federal sources	-	-	-	1,891,998	-	-	-
Other receipts	-	-	-	19,088	-	-	-
Total receipts	-	-	-	5,356,857	-	904,401	8,395,832
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	2,135	-	408,946	3,221	-	1,416,312	-
Noninstructional services	-	-	-	5,267,924	-	-	-
Facilities acquisition and construction	3,786	16,184	1,518,749	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	9,001,921
Total disbursements	5,921	16,184	1,927,695	5,271,145	-	1,416,312	9,001,921
Excess (deficiency) of receipts over disbursements	(5,921)	(16,184)	(1,927,695)	85,712	-	(511,911)	(606,089)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,921)	(16,184)	(1,927,695)	85,712	-	(511,911)	(606,089)
Cash and investments - ending	\$ 28,597	\$ -	\$ 1,458,186	\$ 506,662	\$ -	\$ 544,697	\$ 5,494,359

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

	Alternative Education	Alternative Ed Grant	SAFE School Haven (2017)	SAFE School Haven (2016)	WCSC Educator's Scholarship	Imagination Library	College Success Coalition 14-15
Cash and investments - beginning	\$ (2,874)	\$ -	\$ -	\$ -	\$ 1,150	\$ -	\$ 6,000
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	13,156	-	30,000	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	13,156	-	30,000	-	-	-
Disbursements:							
Instruction	(2,874)	13,156	-	-	-	-	-
Support services	-	-	-	-	-	-	6,000
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	(2,874)	13,156	-	-	-	-	6,000
Excess (deficiency) of receipts over disbursements	2,874	-	-	30,000	-	-	(6,000)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,874	-	-	30,000	-	-	(6,000)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 30,000	\$ 1,150	\$ -	\$ -

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
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	Wellborn Heroes Grant (NES) 15-18	Alcoa - Lead the Way (CHS)	Monsanto 2017	USI Enhancement (BHS)	Greiner Family Foundation	Alcoa - Recycling Initiative	Alcoa Robotics! (2017-19)
Cash and investments - beginning	\$ 4,985	\$ 17,500	\$ -	\$ -	\$ -	\$ 8,000	\$ -
Receipts:							
Local sources	15,065	17,500	10,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>15,065</u>	<u>17,500</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	15,684	30,767	-	-	-	-	-
Support services	-	-	6,117	-	-	-	-
Noninstructional services	105	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>15,789</u>	<u>30,767</u>	<u>6,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(724)</u>	<u>(13,267)</u>	<u>3,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(724)</u>	<u>(13,267)</u>	<u>3,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,261</u>	<u>\$ 4,233</u>	<u>\$ 3,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ -</u>

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	PLTW Launch Grant 2018-20 (LYN)	Blossom Through Stem (BMS)	Toyota Grant CHS (2018)	WCSC- Disaster Relief Donation	Formative Assessment	High Ability 16-17	High Ability 17-18
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	5,000	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	107,073	66,778	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	5,000	-	-	107,073	66,778	-
Disbursements:							
Instruction	-	-	-	-	-	66,778	-
Support services	-	-	-	-	28,226	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	28,226	66,778	-
Excess (deficiency) of receipts over disbursements	-	5,000	-	-	78,847	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,000	-	-	78,847	-	-
Cash and investments - ending	\$ -	\$ 5,000	\$ -	\$ 5	\$ 78,847	\$ -	\$ -

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Secured Schools Safety Grant	Non-English Speaking Programs (2016-17)	Non-English Speaking Programs (2017-18)	School Technology	Career and Technical Performance Grant	Performance Based Awards	IN Early Literacy Intervention 2016
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 49,152	\$ -	\$ -	\$ 10,363
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	33,043	16,980	-	10,628	35,621	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>33,043</u>	<u>16,980</u>	<u>-</u>	<u>10,628</u>	<u>35,621</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	-	16,980	-	-	-	-	10,363
Support services	33,043	-	-	46,908	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>33,043</u>	<u>16,980</u>	<u>-</u>	<u>46,908</u>	<u>-</u>	<u>-</u>	<u>10,363</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,280)</u>	<u>35,621</u>	<u>-</u>	<u>(10,363)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,280)</u>	<u>35,621</u>	<u>-</u>	<u>(10,363)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,872</u>	<u>\$ 35,621</u>	<u>\$ -</u>	<u>\$ -</u>

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
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	IN Early Literacy Intervention 2017	IN Early Literacy Intervention 2018	Innovative Planning Grant (2017)	Title I 16-8130	Title I 17-8130	Title I 18-8130
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (98,848)	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	52,994	-	-	-	-	-
Federal sources	-	-	-	363,542	576,894	-
Other receipts	-	-	-	-	-	-
Total receipts	52,994	-	-	363,542	576,894	-
Disbursements:						
Instruction	52,612	-	-	205,314	575,265	-
Support services	-	-	2,500	56,967	66,819	-
Noninstructional services	-	-	-	2,413	8,328	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	52,612	-	2,500	264,694	650,412	-
Excess (deficiency) of receipts over disbursements	382	-	(2,500)	98,848	(73,518)	-
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	382	-	(2,500)	98,848	(73,518)	-
Cash and investments - ending	\$ 382	\$ -	\$ (2,500)	\$ -	\$ (73,518)	\$ -

WARRICK COUNTY SCHOOL CORPORATION
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	Special Ed (611) 2016	Special Ed (611) 2017	Special Ed (611) 2018	Special Ed (619) 2017	Special Ed (619) 2018	Title II, Part A 15-17
Cash and investments - beginning	\$ (195,320)	\$ -	\$ -	\$ -	\$ -	\$ (19,270)
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	437,515	2,010,817	-	113,091	-	161,137
Other receipts	-	-	-	-	-	-
Total receipts	<u>437,515</u>	<u>2,010,817</u>	<u>-</u>	<u>113,091</u>	<u>-</u>	<u>161,137</u>
Disbursements:						
Instruction	242,195	2,051,441	-	113,091	-	141,455
Support services	-	-	-	-	-	-
Noninstructional services	-	169,385	-	-	-	412
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>242,195</u>	<u>2,220,826</u>	<u>-</u>	<u>113,091</u>	<u>-</u>	<u>141,867</u>
Excess (deficiency) of receipts over disbursements	<u>195,320</u>	<u>(210,009)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,270</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>195,320</u>	<u>(210,009)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,270</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (210,009)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Title II, Part A 16-18	Title II, Part A 17-19	Title III 2016-17	Title III 2017-18	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,006,137
Receipts:						
Local sources	-	-	-	-	-	38,440,958
Intermediate sources	-	-	-	-	-	4,023
State sources	-	-	-	-	-	65,037,711
Federal sources	44,284	-	12,382	-	-	5,611,660
Other receipts	-	-	-	-	19,080,326	19,193,519
Total receipts	44,284	-	12,382	-	19,080,326	128,287,871
Disbursements:						
Instruction	64,204	-	2,251	-	19,080,326	68,104,065
Support services	-	-	10,131	-	-	32,928,116
Noninstructional services	158	-	-	-	-	7,022,302
Facilities acquisition and construction	-	-	-	-	-	10,797,426
Debt service	-	-	-	-	-	6,060,490
Nonprogrammed charges	-	-	-	-	-	9,001,921
Total disbursements	64,362	-	12,382	-	19,080,326	133,914,320
Excess (deficiency) of receipts over disbursements	(20,078)	-	-	-	-	(5,626,449)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	25,286
Transfers in	-	-	-	-	-	2,291,151
Transfers out	-	-	-	-	-	(2,291,151)
Total other financing sources (uses)	-	-	-	-	-	25,286
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,078)	-	-	-	-	(5,601,163)
Cash and investments - ending	\$ (20,078)	\$ -	\$ -	\$ -	\$ -	\$ 28,404,974

WARRICK COUNTY SCHOOL CORPORATION
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	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/Severance Future Benefits
Cash and investments - beginning	\$ 8,299,747	\$ 3,511,820	\$ 2,053,895	\$ 3,607,775	\$ 669,063	\$ 2,225,834	\$ 126,190
Receipts:							
Local sources	699,525	5,243,497	10,713,518	7,685,711	691,743	8,911	-
Intermediate sources	118	-	-	-	-	-	-
State sources	64,960,309	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	55,679	-	-	6,430	-	5,808	1,193
Total receipts	65,715,631	5,243,497	10,713,518	7,692,141	691,743	14,719	1,193
Disbursements:							
Instruction	44,091,293	-	-	-	-	-	12,881
Support services	20,131,015	-	3,797,333	7,142,323	452,526	-	7,435
Noninstructional services	1,583,253	-	-	-	-	-	-
Facilities acquisition and construction	2,376	-	5,380,084	-	-	1,982,724	-
Debt service	-	7,224,500	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	65,807,937	7,224,500	9,177,417	7,142,323	452,526	1,982,724	20,316
Excess (deficiency) of receipts over disbursements	(92,306)	(1,981,003)	1,536,101	549,818	239,217	(1,968,005)	(19,123)
Other financing sources (uses):							
Proceeds of long-term debt	-	2,374	-	-	-	-	-
Sale of capital assets	117,533	-	-	-	-	1,326	-
Transfers in	-	-	-	-	-	1,086,110	-
Transfers out	-	-	(710,110)	(376,000)	-	-	-
Total other financing sources (uses)	117,533	2,374	(710,110)	(376,000)	-	1,087,436	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,227	(1,978,629)	825,991	173,818	239,217	(880,569)	(19,123)
Cash and investments - ending	\$ 8,324,974	\$ 1,533,191	\$ 2,879,886	\$ 3,781,593	\$ 908,280	\$ 1,345,265	\$ 107,067

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Construction	Construction (Insurance)	General Obligation Bonds	School Lunch	Prepaid Meals	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 28,597	\$ -	\$ 1,458,186	\$ 506,662	\$ -	\$ 544,697	\$ 5,494,359
Receipts:							
Local sources	-	-	-	3,249,694	-	598,257	8,211,580
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	70,272	-	245,686	-
Federal sources	-	-	-	2,028,806	-	-	-
Other receipts	-	-	-	21,453	3,301,460	-	-
Total receipts	-	-	-	5,370,225	3,301,460	843,943	8,211,580
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	240,804	-	541,547	28,016	-	1,219,836	-
Noninstructional services	-	-	-	5,264,347	-	-	-
Facilities acquisition and construction	1,093,477	-	233,032	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	92,092	3,213,397	-	8,555,090
Total disbursements	1,334,281	-	774,579	5,384,455	3,213,397	1,219,836	8,555,090
Excess (deficiency) of receipts over disbursements	(1,334,281)	-	(774,579)	(14,230)	88,063	(375,893)	(343,510)
Other financing sources (uses):							
Proceeds of long-term debt	4,484,544	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	4,484,544	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,150,263	-	(774,579)	(14,230)	88,063	(375,893)	(343,510)
Cash and investments - ending	\$ 3,178,860	\$ -	\$ 683,607	\$ 492,432	\$ 88,063	\$ 168,804	\$ 5,150,849

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Alternative Education	Alternative Ed Grant	SAFE School Haven (2017)	SAFE School Haven (2016)	WCSC Educator's Scholarship	Imagination Library	College Success Coalition 14-15
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 30,000	\$ 1,150	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	41,489	-
Intermediate sources	-	-	-	-	-	-	-
State sources	12,639	-	30,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	12,639	-	30,000	-	-	41,489	-
Disbursements:							
Instruction	12,639	-	-	-	-	-	-
Support services	-	-	30,000	-	-	-	-
Noninstructional services	-	-	-	-	-	5,110	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	12,639	-	30,000	-	-	5,110	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	36,379	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	36,379	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 30,000	\$ 1,150	\$ 36,379	\$ -

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Wellborn Heroes Grant (NES) 15-18	Alcoa - Lead the Way (CHS)	Monsanto 2017	USI Enhancement (BHS)	Greiner Family Foundation	Alcoa - Recycling Initiative	Alcoa Robotics! (2017-19)
Cash and investments - beginning	\$ 4,261	\$ 4,233	\$ 3,883	\$ -	\$ -	\$ 8,000	\$ -
Receipts:							
Local sources	24,565	-	-	3,598	30,374	-	22,500
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	24,565	-	-	3,598	30,374	-	22,500
Disbursements:							
Instruction	7,665	4,233	-	3,598	5,374	8,000	16,074
Support services	-	-	3,883	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	4,000
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	7,665	4,233	3,883	3,598	5,374	8,000	20,074
Excess (deficiency) of receipts over disbursements	16,900	(4,233)	(3,883)	-	25,000	(8,000)	2,426
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,900	(4,233)	(3,883)	-	25,000	(8,000)	2,426
Cash and investments - ending	\$ 21,161	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 2,426

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	PLTW Launch Grant 2018-20 (LYN)	Blossom Through Stem (BMS)	Toyota Grant CHS (2018)	WCSC- Disaster Relief Donation	Formative Assessment	High Ability 16-17	High Ability 17-18
Cash and investments - beginning	\$ -	\$ 5,000	\$ -	\$ 5	\$ 78,847	\$ -	\$ -
Receipts:							
Local sources	7,500	-	30,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	124,991	-	66,987
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	7,500	-	30,000	-	124,991	-	66,987
Disbursements:							
Instruction	-	5,000	-	-	-	-	66,987
Support services	-	-	-	-	203,838	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	5,000	-	-	203,838	-	66,987
Excess (deficiency) of receipts over disbursements	7,500	(5,000)	30,000	-	(78,847)	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,500	(5,000)	30,000	-	(78,847)	-	-
Cash and investments - ending	\$ 7,500	\$ -	\$ 30,000	\$ 5	\$ -	\$ -	\$ -

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Secured Schools Safety Grant	Non-English Speaking Programs (2016-17)	Non-English Speaking Programs (2017-18)	School Technology	Career and Technical Performance Grant	Performance Based Awards	IN Early Literacy Intervention 2016
Cash and investments - beginning	\$ -	\$ -	\$ -	12,872	35,621	-	-
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	21,750	14,250	31,374	303,958	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	21,750	14,250	31,374	303,958	-
Disbursements:							
Instruction	-	-	16,638	-	-	303,958	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	39,082	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	16,638	-	39,082	303,958	-
Excess (deficiency) of receipts over disbursements	-	-	5,112	14,250	(7,708)	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	5,112	14,250	(7,708)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 5,112	\$ 27,122	\$ 27,913	\$ -	\$ -

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	IN Early Literacy Intervention 2017	IN Early Literacy Intervention 2018	Innovative Planning Grant (2017)	Title I 16-8130	Title I 17-8130	Title I 18-8130
Cash and investments - beginning	\$ 382	\$ -	\$ (2,500)	\$ -	\$ (73,518)	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	48,827	30,000	-	-	-
Federal sources	-	-	-	-	337,793	531,622
Other receipts	-	-	-	-	-	-
Total receipts	-	48,827	30,000	-	337,793	531,622
Disbursements:						
Instruction	382	2,400	-	-	212,227	542,832
Support services	-	34,983	27,500	-	50,536	39,263
Noninstructional services	-	-	-	-	1,512	10,916
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	382	37,383	27,500	-	264,275	593,011
Excess (deficiency) of receipts over disbursements	(382)	11,444	2,500	-	73,518	(61,389)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(382)	11,444	2,500	-	73,518	(61,389)
Cash and investments - ending	\$ -	\$ 11,444	\$ -	\$ -	\$ -	\$ (61,389)

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Special Ed (611) 2016	Special Ed (611) 2017	Special Ed (611) 2018	Special Ed (619) 2017	Special Ed (619) 2018	Title II, Part A 15-17
Cash and investments - beginning	\$ -	\$ (210,009)	\$ -	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	210,009	1,833,454	-	112,426	-
Other receipts	-	-	-	-	-	-
Total receipts	-	210,009	1,833,454	-	112,426	-
Disbursements:						
Instruction	-	-	1,973,347	-	110,900	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	69,848	-	1,526	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	2,043,195	-	112,426	-
Excess (deficiency) of receipts over disbursements	-	210,009	(209,741)	-	-	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	210,009	(209,741)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (209,741)	\$ -	\$ -	\$ -

WARRICK COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Title II, Part A 16-18	Title II, Part A 17-19	Title III 2016-17	Title III 2017-18	Payroll Clearing	Totals
Cash and investments - beginning	\$ (20,078)	\$ -	\$ -	\$ -	\$ -	\$ 28,404,974
Receipts:						
Local sources	-	-	-	-	-	37,262,462
Intermediate sources	-	-	-	-	-	118
State sources	-	-	-	-	-	65,961,043
Federal sources	180,390	127,470	1,886	5,965	-	5,369,821
Other receipts	-	-	-	-	18,155,874	21,547,897
Total receipts	180,390	127,470	1,886	5,965	18,155,874	130,141,341
Disbursements:						
Instruction	162,453	137,026	1,886	5,797	18,155,201	65,858,791
Support services	-	-	-	-	-	33,950,838
Noninstructional services	1,046	5,822	-	168	-	6,943,548
Facilities acquisition and construction	-	-	-	-	-	8,734,775
Debt service	-	-	-	-	-	7,224,500
Nonprogrammed charges	-	-	-	-	-	11,860,579
Total disbursements	163,499	142,848	1,886	5,965	18,155,201	134,573,031
Excess (deficiency) of receipts over disbursements	16,891	(15,378)	-	-	673	(4,431,690)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	4,486,918
Sale of capital assets	-	-	-	-	-	118,859
Transfers in	-	-	-	-	-	1,086,110
Transfers out	-	-	-	-	-	(1,086,110)
Total other financing sources (uses)	-	-	-	-	-	4,605,777
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,891	(15,378)	-	-	673	174,087
Cash and investments - ending	\$ (3,187)	\$ (15,378)	\$ -	\$ -	\$ 673	\$ 28,579,061

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WARRICK COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 2,346,480</u>	<u>\$ 289,702</u>

WARRICK COUNTY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Multiple location roof and HVAC repairs	\$ 13,820,000	\$ 4,184,450
General obligation bonds	Multiple locations renovations and repairs	<u>4,500,000</u>	<u>153,250</u>
Total governmental activities		<u>18,320,000</u>	<u>4,337,700</u>
Totals		<u>\$ 18,320,000</u>	<u>\$ 4,337,700</u>

WARRICK COUNTY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2018

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	\$ 1,614,200
Infrastructure	7,850,823
Buildings	386,129,072
Improvements other than buildings	3,146,661
Machinery, equipment, and vehicles	44,023,750
Construction in progress	1,134,620
Books and other	<u>3,472,850</u>
Total governmental activities	<u>447,371,976</u>
Total capital assets	<u>\$ 447,371,976</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE WARRICK COUNTY SCHOOL
CORPORATION, WARRICK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Warrick County School Corporation's (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, 2016 to June 30, 2018. 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.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

The School Corporation's response to the noncompliance finding 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.

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 item 2018-001, that we consider to be a material weakness.

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

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

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

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

March 7, 2019

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.

WARRICK COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

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 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Student Breakfast Program			FY 17	\$ -	\$ 282,360	\$ -	\$ -
Student Breakfast Program			FY 18	-	-	-	293,299
Total - School Breakfast Program				-	282,360	-	293,299
National School Lunch Program	Indiana Department of Education	10.555					
Student Lunch Program			FY 17	-	1,582,017	-	-
Student Lunch Program - Commodities			FY 17	-	345,779	-	-
Student Lunch Program			FY 18	-	-	-	1,697,323
Student Lunch Program - Commodities			FY 18	-	-	-	364,077
Total - National School Lunch Program				-	1,927,796	-	2,061,400
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Lunch Program			FY 17	-	27,621	-	-
Summer Lunch Program			FY 18	-	-	-	18,184
Total - Summer Food Service Program for Children				-	27,621	-	18,184
Total - Child Nutrition Cluster				-	2,237,777	-	2,372,883
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	FY 18	-	-	-	20,000
Total - Department of Agriculture				-	2,237,777	-	2,392,883
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 16-8130			16-8130	-	363,542	-	-
Title I 17-8130			17-8130	-	576,894	-	337,793
Title I (17-18)			18-8130	-	-	-	531,622
Total - Title I Grants to Local Educational Agencies				-	940,436	-	869,415

WARRICK COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

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 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education FY 2016 Part B 611 Special Ed (611) 2016			14216-084-PN01	-	437,515	-	-
Special Education FY 2017 Part B 611 Special ED (611) 2017			14217-084-PN01	-	2,010,817	-	210,009
Special Education FY 2018 Part B 611 Part B-611 (FY 2018)			18611-084-PN01	-	-	-	1,833,454
Total - Special Education Grants to States				-	2,448,332	-	2,043,463
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education FY 2017 Part B 619 Special ED (619) 2017			45717-084-PN01	-	113,091	-	-
Special Education FY 2018 Part B 619 Part B-619 PK (FY 2018)			18619-084-PN01	-	-	-	112,426
Total - Special Education Preschool Grants				-	113,091	-	112,426
Total - Special Education Cluster (IDEA)				-	2,561,423	-	2,155,889
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III-English Prof 16-17			01117-091-PN01	-	12,382	-	1,886
Title III-English Prof (17-18)			01118-090-PN01	-	-	-	5,965
Total - English Language Acquisition State Grants				-	12,382	-	7,851
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A 15-17			S367A150015	-	161,137	-	-
Title II Part A 16-17			S367A160013	-	44,284	-	180,390
Title II Part A (FFY 2017)			S367A170013	-	-	-	127,470
Total - Supporting Effective Instruction State Grants				-	205,421	-	307,860
Total - Department of Education				-	3,719,662	-	3,341,015
Total federal awards expended				\$ -	\$ 5,957,439	\$ -	\$ 5,733,898

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

WARRICK COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. 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.

WARRICK COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding 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:

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: Child Nutrition Cluster - Suspension and Debarment
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program,
 Summer Food Service Program for Children
 CFDA Numbers: 10.553, 10.555, 10.559
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 17, FY 18
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirement: Procurement and Suspension and Debarment
 Audit Findings: Material Weakness, Other Matters

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-002.

Condition

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

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 covered transaction during the 2016-2017 fiscal year.

Context

The lack of effective controls and noncompliance were systemic issues during the 2016-2017 fiscal year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 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."

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

Cause

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

Effect

The failure to establish an effective internal control system enabled material noncompliance to remain undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment 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 an effective internal control system to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

Warrick
County
School
Corporation



Brad Schneider, Superintendent
Todd Armstrong, Assistant Superintendent
Jane Wilhelmus, Director of Primary Curriculum and Instruction K-5
Walter Lambert, Director of Secondary Curriculum and Instruction 6-12
Tad Powless, Director of Human Resources
Tish Wagner, Director of Special Education

SUPERINTENDENT'S OFFICE

P.O. Box 809/Boonville, Indiana 47601/812-897-6050

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2016-001

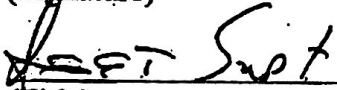
Fiscal year in which the finding initially occurred: FY14/15 & FY15/16
Contact Person Responsible for Corrective Action: Patricia L Jones, Treasurer
Contact Phone Number: (812) 897-6040

Status of Audit Finding:

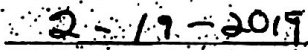
The corrective active plan for this finding began with the June 2017 bank statement reconciliation. The treasurer's office has segregated this duty, and it is shared between the Treasurer and Deputy Treasurer on alternating months. The Asst. Superintendent, Mr. Todd Armstrong, reviews and signs off on this documentation.



(Signature)



(Title)



(Date)

Warrick
County
School
Corporation



Shenae M. Rowe, Director
Allison Robison, School Nutrition Specialist
Jennifer Hietzenbach, Administrative Assistant

FOOD AND NUTRITION DEPARTMENT

300 E. Gum Street / Boonville, Indiana 47601 / 812-897-1341

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal year in which the finding initially occurred: **FY12/13**
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: **IDOE**
Contact Person Responsible for Corrective Action: **Shenae M. Rowe**
Contact Phone Number: **812-897-1341**

Status of Audit Finding:

As stated in Corrective Action Plan for the FY2015, FY2016 Findings, The Food & Nutrition Department put in place the corrective action plan beginning July 2017. As of July 2017, the new Procurement Plan approved by the Indiana Department of Education is being followed. Within this procurement plan, the WCSC Food & Nutrition Department requires a certification regarding debarment, suspension, ineligibility, and voluntary exclusion be submitted to the School Food Authority for any purchases over \$25,000.

Contracts for the 2016-2017 school year were already completed prior to the audit finding and the corrective action plan being submitted and approved. All contracts awarded after July 2017 have a signed Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Clause.

Shenae M Rowe
(Signature)

Food & Nutrition Director
(Title)

3/4/19
(Date)



FOOD AND NUTRITION DEPARTMENT

300 E. Gum Street / Boonville, Indiana 47601 / 812-897-1341

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Shenae M. Rowe, Food & Nutrition Director
Contact Phone Number: 812-897-1341

We concur with the findings.

Description of Corrective Action Plan:

As stated in Corrective Action Plan for the FY2015, FY2016 Findings, The Food & Nutrition Department put in place the corrective action plan beginning July 2017. As of July 2017, the new Procurement Plan approved by the Indiana Department of Education is being followed. Within this procurement plan, the WCSC Food & Nutrition Department requires a certification regarding debarment, suspension, ineligibility, and voluntary exclusion be submitted to the School Food Authority for any purchases over \$25,000.

Contracts for the 2016-2017 school year were already completed prior to the audit finding and the corrective action plan being submitted and approved. All contracts awarded after July 2017 have a signed Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Clause.

Anticipated Completion Date: Completed July 1, 2017

Shenae M Rowe

(Signature)

Food & Nutrition Director

(Title)

3/4/19

(Date)

OTHER REPORTS

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