

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

ANDERSON COMMUNITY SCHOOL CORPORATION
MADISON COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
03/31/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kevin Brown	07-01-16 to 06-30-19
Superintendent of Schools	Terry L. Thompson Dr. Timothy Smith	07-01-16 to 06-02-17 06-03-17 to 06-30-19
President of the School Board	Patrick Hill	01-01-16 to 12-31-19



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ANDERSON COMMUNITY SCHOOL
CORPORATION, MADISON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Anderson Community 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 12, 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 12, 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 ANDERSON COMMUNITY SCHOOL
CORPORATION, MADISON 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 Anderson Community 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 12, 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 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 2018-001 and 2018-002, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002.

Anderson Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 12, 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.

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ANDERSON COMMUNITY 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			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-16	Receipts	Disbursements		06-30-17	Receipts	Disbursements		
General	\$ 3,796,974	\$ 59,126,916	\$ 51,551,272	\$ (4,727,636)	\$ 6,644,982	\$ 58,889,521	\$ 57,937,834	\$ (2,049,320)	\$ 5,547,349
Debt Service	35,759	11,022,948	10,905,504	(153,072)	131	10,933,809	10,933,310	-	630
Retirement/Severance Bond Debt Service	166,830	3,126,293	3,312,614	58,443	38,952	2,515,983	2,301,944	-	252,991
Capital Projects	168,387	3,921,173	6,396,366	2,332,770	25,964	3,812,681	3,838,522	-	123
School Transportation	69,999	3,591,276	5,305,494	1,731,921	87,702	4,033,994	4,608,071	486,709	334
School Bus Replacement	270,372	602,212	-	(525,795)	346,789	351,274	124,337	(486,709)	87,017
Rainy Day	264,227	-	-	-	264,227	-	-	-	264,227
Retirement/Severance Bond	3,033,967	187	474,669	-	2,559,485	-	331,073	-	2,228,412
General Obligation Pension Bond	19,262	-	3,490	-	15,772	-	4,158	-	11,614
School Lunch	642,658	4,560,390	4,828,198	-	374,850	4,719,515	4,947,960	-	146,405
Textbook Rental	2,016,204	-	772,709	-	1,243,495	1,524,584	700,952	-	2,067,127
Self-Insurance	17,121,276	11,160,041	11,849,214	-	16,432,103	11,791,418	12,753,442	-	15,470,079
Levy Excess	-	-	-	-	-	-	-	-	-
Joint Services and Supply - Area Vocational School	1,543,372	-	1,188,498	1,283,368	1,638,242	-	1,979,364	2,049,320	1,708,198
Alternative Education	236,057	148,712	192,551	-	192,218	111,677	150,256	-	153,639
Give All Children A Voice	-	-	-	-	-	6,000	1,590	-	4,410
Chef Community Donation	21,408	-	4,690	-	16,718	23,004	19,730	-	19,992
Early Intervention Grant	-	1,950	1,950	-	-	1,500	2,205	-	(705)
Reading Recovery	223,282	26,048	18,867	-	230,463	194	27,252	-	203,405
School Intervention and Career Counseling	650	-	148	-	502	-	-	-	502
Comprehensive Counseling Initiative	-	50,000	36,979	-	13,021	-	13,022	-	(1)
Amanda Breece Fund	-	-	-	-	-	1,000	736	-	264
Early Intervention Grant	-	39,148	29,798	-	9,350	-	105,500	-	(96,150)
Positive Behavior	708	-	100	-	608	-	-	-	608
Guide Corp Elem Enrichment	(1,694)	1,694	-	-	-	-	-	-	-
Wigwam Facility	6,562	-	-	-	6,562	-	-	-	6,562
Donations/Gifts	25,020	18	-	-	25,038	9	-	-	25,047
School Safety Grant	(119,793)	91,093	86,743	-	(115,443)	50,000	(65,443)	-	-
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	-	-	-	-
Naval Junior ROTC	(68,227)	76,246	74,058	-	(66,039)	40,525	71,375	-	(96,889)
Uniform Closets	4,962	-	-	-	4,962	-	-	-	4,962
Formative Assessment	-	88,865	88,865	-	-	83,950	105,213	-	(21,263)
High Ability Grant	9,224	53,171	37,799	-	24,596	53,050	60,325	-	17,321
Early Childhood Intervention (First Steps)	-	-	-	-	-	25,314	8,196	-	17,118
Non-English Speaking Programs	32,354	68,065	79,408	-	21,011	71,250	69,158	-	23,103
Career and Technical Performance Grant	-	27,742	18,633	-	9,109	34,326	21,206	-	22,229
Performance Based Awards	-	-	-	-	-	-	-	-	-
Senator David Ford Technology	(54,487)	68,213	13,726	-	-	-	26	-	(26)
Title I	(110,262)	3,342,612	3,345,991	-	(113,641)	3,331,237	3,335,664	-	(118,068)
Title I School Improvement - FY18	-	173,001	193,672	-	(20,671)	390,189	397,481	-	(27,963)
Title I School Improvement - FY17	(2,400)	18,730	16,331	-	(1)	46,504	57,212	-	(10,709)
Title I Part D	-	39,271	39,272	-	(1)	49,002	38,693	-	10,308
Serve America	-	43,355	43,356	-	(1)	47,130	47,131	-	(2)
Special Ed Part B	-	2,208,478	2,208,474	-	4	1,970,243	2,042,774	-	(72,527)
Title I Amendment	-	-	-	-	-	-	-	-	-
Special Ed Pre-School	-	90,080	92,771	-	(2,691)	77,204	77,278	-	(2,765)
Adult Education	(20,240)	20,205	(36)	-	1	-	-	-	1
Vocational and Technology Board Grants	-	-	-	-	-	-	900	-	(900)
Improving Teacher Quality, No Child Left, Title II, Part A	(18,565)	709,042	746,208	-	(55,731)	511,002	536,156	-	(80,885)
Title III - English Proficiency Migrant	(2,940)	56,436	54,433	-	(937)	67,116	82,102	-	(15,923)
21st Century	-	41,451	41,471	-	(20)	226,506	284,719	-	(58,233)
21st Century	-	-	-	-	-	-	129	-	(129)
Payroll Clearing	1,865,763	18,991,565	19,018,783	-	1,838,545	18,632,549	18,586,413	-	1,884,681
Totals	\$ 31,176,669	\$ 123,586,627	\$ 123,073,069	\$ (1)	\$ 31,690,226	\$ 124,423,260	\$ 126,537,966	\$ -	\$ 29,575,520

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

ANDERSON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

ANDERSON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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.

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

ANDERSON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

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

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

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.

ANDERSON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

ANDERSON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by December 31, 2017 and 2018.

ANDERSON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into a capital lease with Anderson 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 2017 and 2018 totaled \$7,541,000 and \$7,538,000, respectively.

Note 9. *Subsequent Events*

In October 2018, the School Corporation entered into a lease with Anderson Building Corporation for repayment of a \$41,000,000 bond, to be used for ACS Moving Forward Project which consists of updating, improving, and construction. On December 4, 2018, the School Corporation awarded a bid in the amount of \$12,000,000 for the construction of Anderson Intermediate School.

Note 10. *Other Postemployment Benefits*

The School Corporation provides postemployment medical insurance benefits to eligible retirees in accordance with Indiana Code 5-10-8. 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 3,796,974	\$ 35,759	\$ 166,830	\$ 168,387	\$ 69,999	\$ 270,372	\$ 264,227
Receipts:							
Local sources	1,403,736	8,405,948	2,726,293	3,221,173	3,291,276	602,212	-
Intermediate sources	1,059	-	-	-	-	-	-
State sources	53,033,572	-	-	-	-	-	-
Federal sources	625,284	-	-	-	-	-	-
Interfund loans	4,050,000	2,617,000	400,000	700,000	300,000	-	-
Other receipts	13,265	-	-	-	-	-	-
Total receipts	59,126,916	11,022,948	3,126,293	3,921,173	3,591,276	602,212	-
Disbursements:							
Instruction	33,617,191	-	-	-	-	-	-
Support services	13,501,111	213,504	-	4,954,946	4,405,494	-	-
Noninstructional services	415,970	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,411,420	-	-	-
Debt service	-	7,542,000	3,312,614	30,000	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	4,017,000	3,150,000	-	-	900,000	-	-
Total disbursements	51,551,272	10,905,504	3,312,614	6,396,366	5,305,494	-	-
Excess (deficiency) of receipts over disbursements	7,575,644	117,444	(186,321)	(2,475,193)	(1,714,218)	602,212	-
Other financing sources (uses):							
Transfers in	-	691,177	58,443	2,332,770	1,731,921	-	-
Transfers out	(4,727,636)	(844,249)	-	-	-	(525,795)	-
Total other financing sources (uses)	(4,727,636)	(153,072)	58,443	2,332,770	1,731,921	(525,795)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,848,008	(35,628)	(127,878)	(142,423)	17,703	76,417	-
Cash and investments - ending	\$ 6,644,982	\$ 131	\$ 38,952	\$ 25,964	\$ 87,702	\$ 346,789	\$ 264,227

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

	Retirement/ Severance Bond	General Obligation Pension Bond	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Area Vocational School
Cash and investments - beginning	\$ 3,033,967	\$ 19,262	\$ 642,658	\$ 2,016,204	\$ 17,121,276	\$ -	\$ 1,543,372
Receipts:							
Local sources	187	-	797,527	-	11,160,041	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	12,257	-	-	-	-
Federal sources	-	-	3,750,606	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	187	-	4,560,390	-	11,160,041	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	978,424
Support services	474,669	-	-	772,709	-	-	210,074
Noninstructional services	-	-	4,828,198	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	3,490	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	11,849,214	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	474,669	3,490	4,828,198	772,709	11,849,214	-	1,188,498
Excess (deficiency) of receipts over disbursements	(474,482)	(3,490)	(267,808)	(772,709)	(689,173)	-	(1,188,498)
Other financing sources (uses):							
Transfers in	-	-	-	-	6,491,799	-	1,283,368
Transfers out	-	-	-	-	(6,491,799)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	1,283,368
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(474,482)	(3,490)	(267,808)	(772,709)	(689,173)	-	94,870
Cash and investments - ending	\$ 2,559,485	\$ 15,772	\$ 374,850	\$ 1,243,495	\$ 16,432,103	\$ -	\$ 1,638,242

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

	Alternative Education	Give All Children A Voice	Chef Community Donation	Early Intervention Grant	Reading Recovery	School Intervention and Career Counseling	Comprehensive Counseling Initiative
Cash and investments - beginning	\$ 236,057	\$ -	\$ 21,408	\$ -	\$ 223,282	\$ 650	\$ -
Receipts:							
Local sources	-	-	-	1,950	26,048	-	50,000
Intermediate sources	-	-	-	-	-	-	-
State sources	148,712	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	148,712	-	-	1,950	26,048	-	50,000
Disbursements:							
Instruction	192,551	-	-	-	1,680	-	-
Support services	-	-	4,690	1,950	17,187	148	36,979
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	192,551	-	4,690	1,950	18,867	148	36,979
Excess (deficiency) of receipts over disbursements	(43,839)	-	(4,690)	-	7,181	(148)	13,021
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,839)	-	(4,690)	-	7,181	(148)	13,021
Cash and investments - ending	\$ 192,218	\$ -	\$ 16,718	\$ -	\$ 230,463	\$ 502	\$ 13,021

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

	Amanda Breece Fund	Early Intervention Grant	Positive Behavior	Guide Corp Elem Enrichment	Wigwam Facility	Donations/ Gifts	School Safety Grant
Cash and investments - beginning	\$ -	\$ -	\$ 708	\$ (1,694)	\$ 6,562	\$ 25,020	\$ (119,793)
Receipts:							
Local sources	-	-	-	1,694	-	18	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	39,148	-	-	-	-	91,093
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	39,148	-	1,694	-	18	91,093
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	29,798	100	-	-	-	86,743
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	29,798	100	-	-	-	86,743
Excess (deficiency) of receipts over disbursements	-	9,350	(100)	1,694	-	18	4,350
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,350	(100)	1,694	-	18	4,350
Cash and investments - ending	\$ -	\$ 9,350	\$ 608	\$ -	\$ 6,562	\$ 25,038	\$ (115,443)

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

	Construction, Remodeling, and Equipping Buildings	Naval Junior ROTC	Uniform Closets	Formative Assessment	High Ability Grant	Early Childhood Intervention (First Steps)	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ (68,227)	\$ 4,962	\$ -	\$ 9,224	\$ -	\$ 32,354
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	88,865	53,171	-	68,065
Federal sources	-	76,246	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	76,246	-	88,865	53,171	-	68,065
Disbursements:							
Instruction	-	74,058	-	88,865	37,799	-	-
Support services	-	-	-	-	-	-	79,408
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	74,058	-	88,865	37,799	-	79,408
Excess (deficiency) of receipts over disbursements	-	2,188	-	-	15,372	-	(11,343)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,188	-	-	15,372	-	(11,343)
Cash and investments - ending	\$ -	\$ (66,039)	\$ 4,962	\$ -	\$ 24,596	\$ -	\$ 21,011

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

	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	Title I	Title I School Improvement - FY18	Title I School Improvement - FY17	Title I Part D
Cash and investments - beginning	\$ -	\$ -	\$ (54,487)	\$ (110,262)	\$ -	\$ (2,400)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	27,742	-	68,213	-	-	-	-
Federal sources	-	-	-	3,342,612	173,001	18,730	39,271
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>27,742</u>	<u>-</u>	<u>68,213</u>	<u>3,342,612</u>	<u>173,001</u>	<u>18,730</u>	<u>39,271</u>
Disbursements:							
Instruction	18,633	-	-	1,847,188	9,605	3,296	34,548
Support services	-	-	13,726	1,473,994	163,137	9,137	4,185
Noninstructional services	-	-	-	24,809	20,930	3,898	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	539
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>18,633</u>	<u>-</u>	<u>13,726</u>	<u>3,345,991</u>	<u>193,672</u>	<u>16,331</u>	<u>39,272</u>
Excess (deficiency) of receipts over disbursements	<u>9,109</u>	<u>-</u>	<u>54,487</u>	<u>(3,379)</u>	<u>(20,671)</u>	<u>2,399</u>	<u>(1)</u>
Other financing sources (uses):							
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>9,109</u>	<u>-</u>	<u>54,487</u>	<u>(3,379)</u>	<u>(20,671)</u>	<u>2,399</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 9,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (113,641)</u>	<u>\$ (20,671)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

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

	Serve America	Special Ed Part B	Title I Amendment	Special Ed Pre-school	Adult Education	Vocational and Technology Board Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (20,240)	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	43,355	2,208,478	-	90,080	20,205	-
Interfund loans	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>43,355</u>	<u>2,208,478</u>	<u>-</u>	<u>90,080</u>	<u>20,205</u>	<u>-</u>
Disbursements:						
Instruction	-	2,194,019	-	92,067	(17)	-
Support services	43,356	14,455	-	704	(19)	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>43,356</u>	<u>2,208,474</u>	<u>-</u>	<u>92,771</u>	<u>(36)</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>4</u>	<u>-</u>	<u>(2,691)</u>	<u>20,241</u>	<u>-</u>
Other financing sources (uses):						
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>(1)</u>	<u>4</u>	<u>-</u>	<u>(2,691)</u>	<u>20,241</u>	<u>-</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ (2,691)</u>	<u>\$ 1</u>	<u>\$ -</u>

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

	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	21st Century	21st Century	Payroll Clearing	Totals
Cash and investments - beginning	\$ (18,565)	\$ (2,940)	\$ -	\$ -	\$ 1,865,763	\$ 31,176,669
Receipts:						
Local sources	-	-	-	-	-	31,688,103
Intermediate sources	-	-	-	-	-	1,059
State sources	-	-	41,451	-	-	53,672,289
Federal sources	709,042	56,436	-	-	-	11,153,346
Interfund loans	-	-	-	-	-	8,067,000
Other receipts	-	-	-	-	18,991,565	19,004,830
Total receipts	709,042	56,436	41,451	-	18,991,565	123,586,627
Disbursements:						
Instruction	-	41,928	-	-	-	39,231,835
Support services	746,208	12,505	4,100	-	-	27,274,998
Noninstructional services	-	-	37,371	-	-	5,331,176
Facilities acquisition and construction	-	-	-	-	-	1,411,420
Debt service	-	-	-	-	-	10,888,104
Nonprogrammed charges	-	-	-	-	19,018,783	30,868,536
Interfund loans	-	-	-	-	-	8,067,000
Total disbursements	746,208	54,433	41,471	-	19,018,783	123,073,069
Excess (deficiency) of receipts over disbursements	(37,166)	2,003	(20)	-	(27,218)	513,558
Other financing sources (uses):						
Transfers in	-	-	-	-	-	12,589,478
Transfers out	-	-	-	-	-	(12,589,479)
Total other financing sources (uses)	-	-	-	-	-	(1)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(37,166)	2,003	(20)	-	(27,218)	513,557
Cash and investments - ending	\$ (55,731)	\$ (937)	\$ (20)	\$ -	\$ 1,838,545	\$ 31,690,226

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 6,644,982	\$ 131	\$ 38,952	\$ 25,964	\$ 87,702	\$ 346,789	\$ 264,227
Receipts:							
Local sources	1,366,326	8,244,809	2,515,983	3,111,681	3,733,994	351,274	-
Intermediate sources	530	-	-	-	-	-	-
State sources	52,844,088	-	-	-	-	-	-
Federal sources	661,577	-	-	-	-	-	-
Interfund loans	4,017,000	2,689,000	-	701,000	300,000	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	58,889,521	10,933,809	2,515,983	3,812,681	4,033,994	351,274	-
Disbursements:							
Instruction	35,522,196	-	-	-	-	-	-
Support services	17,706,569	376,560	-	2,943,681	4,308,071	124,337	-
Noninstructional services	429,550	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	146,841	-	-	-
Debt service	589,519	7,539,750	2,301,944	48,000	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	3,690,000	3,017,000	-	700,000	300,000	-	-
Total disbursements	57,937,834	10,933,310	2,301,944	3,838,522	4,608,071	124,337	-
Excess (deficiency) of receipts over disbursements	951,687	499	214,039	(25,841)	(574,077)	226,937	-
Other financing sources (uses):							
Transfers in	-	-	-	-	486,709	-	-
Transfers out	(2,049,320)	-	-	-	-	(486,709)	-
Total other financing sources (uses)	(2,049,320)	-	-	-	486,709	(486,709)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,097,633)	499	214,039	(25,841)	(87,368)	(259,772)	-
Cash and investments - ending	\$ 5,547,349	\$ 630	\$ 252,991	\$ 123	\$ 334	\$ 87,017	\$ 264,227

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

	Retirement/ Severance Bond	General Obligation Pension Bond	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Area Vocational School
Cash and investments - beginning	\$ 2,559,485	\$ 15,772	\$ 374,850	\$ 1,243,495	\$ 16,432,103	\$ -	\$ 1,638,242
Receipts:							
Local sources	-	-	800,494	-	11,791,418	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	33,459	1,524,584	-	-	-
Federal sources	-	-	3,885,562	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	4,719,515	1,524,584	11,791,418	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	1,575,504
Support services	331,073	-	-	700,952	-	-	403,860
Noninstructional services	-	-	4,947,960	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	4,158	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	12,753,442	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	331,073	4,158	4,947,960	700,952	12,753,442	-	1,979,364
Excess (deficiency) of receipts over disbursements	(331,073)	(4,158)	(228,445)	823,632	(962,024)	-	(1,979,364)
Other financing sources (uses):							
Transfers in	-	-	-	-	933,352	-	2,049,320
Transfers out	-	-	-	-	(933,352)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	2,049,320
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(331,073)	(4,158)	(228,445)	823,632	(962,024)	-	69,956
Cash and investments - ending	\$ 2,228,412	\$ 11,614	\$ 146,405	\$ 2,067,127	\$ 15,470,079	\$ -	\$ 1,708,198

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

	Alternative Education	Give All Children A Voice	Chef Community Donation	Early Intervention Grant	Reading Recovery	School Intervention and Career Counseling	Comprehensive Counseling Initiative
Cash and investments - beginning	\$ 192,218	\$ -	\$ 16,718	\$ -	\$ 230,463	\$ 502	\$ 13,021
Receipts:							
Local sources	-	-	23,004	1,500	194	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	111,677	-	-	-	-	-	-
Federal sources	-	6,000	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	111,677	6,000	23,004	1,500	194	-	-
Disbursements:							
Instruction	150,256	1,590	-	-	3,228	-	-
Support services	-	-	19,730	2,205	24,024	-	13,022
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	150,256	1,590	19,730	2,205	27,252	-	13,022
Excess (deficiency) of receipts over disbursements	(38,579)	4,410	3,274	(705)	(27,058)	-	(13,022)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(38,579)	4,410	3,274	(705)	(27,058)	-	(13,022)
Cash and investments - ending	\$ 153,639	\$ 4,410	\$ 19,992	\$ (705)	\$ 203,405	\$ 502	\$ (1)

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

	Amanda Breece Fund	Early Intervention Grant	Positive Behavior	Guide Corp Elem Enrichment	Wigwam Facility	Donations/ Gifts	School Safety Grant
Cash and investments - beginning	\$ -	\$ 9,350	\$ 608	\$ -	\$ 6,562	\$ 25,038	\$ (115,443)
Receipts:							
Local sources	1,000	-	-	-	-	9	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	50,000
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	1,000	-	-	-	-	9	50,000
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	736	105,500	-	-	-	-	(65,443)
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	736	105,500	-	-	-	-	(65,443)
Excess (deficiency) of receipts over disbursements	264	(105,500)	-	-	-	9	115,443
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	264	(105,500)	-	-	-	9	115,443
Cash and investments - ending	\$ 264	\$ (96,150)	\$ 608	\$ -	\$ 6,562	\$ 25,047	\$ -

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

	Construction, Remodeling, and Equipping Buildings	Naval Junior ROTC	Uniform Closets	Formative Assessment	High Ability Grant	Early Childhood Intervention (First Steps)	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ (66,039)	\$ 4,962	\$ -	\$ 24,596	\$ -	\$ 21,011
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	83,950	53,050	25,314	71,250
Federal sources	-	40,525	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	40,525	-	83,950	53,050	25,314	71,250
Disbursements:							
Instruction	-	71,375	-	105,213	60,325	8,196	-
Support services	-	-	-	-	-	-	62,044
Noninstructional services	-	-	-	-	-	-	7,114
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	71,375	-	105,213	60,325	8,196	69,158
Excess (deficiency) of receipts over disbursements	-	(30,850)	-	(21,263)	(7,275)	17,118	2,092
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(30,850)	-	(21,263)	(7,275)	17,118	2,092
Cash and investments - ending	\$ -	\$ (96,889)	\$ 4,962	\$ (21,263)	\$ 17,321	\$ 17,118	\$ 23,103

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

	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	Title I	Title I School Improvement - FY18	Title I School Improvement - FY17	Title I Part D
Cash and investments - beginning	\$ 9,109	\$ -	\$ -	\$ (113,641)	\$ (20,671)	\$ (1)	\$ (1)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	34,326	-	-	-	-	-	-
Federal sources	-	-	-	3,331,237	390,189	46,504	49,002
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	34,326	-	-	3,331,237	390,189	46,504	49,002
Disbursements:							
Instruction	21,206	-	-	2,028,082	32,026	46,841	38,193
Support services	-	-	26	1,253,249	302,558	-	-
Noninstructional services	-	-	-	13,851	59,360	9,900	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	40,482	3,537	471	500
Interfund loans	-	-	-	-	-	-	-
Total disbursements	21,206	-	26	3,335,664	397,481	57,212	38,693
Excess (deficiency) of receipts over disbursements	13,120	-	(26)	(4,427)	(7,292)	(10,708)	10,309
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,120	-	(26)	(4,427)	(7,292)	(10,708)	10,309
Cash and investments - ending	\$ 22,229	\$ -	\$ (26)	\$ (118,068)	\$ (27,963)	\$ (10,709)	\$ 10,308

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

	Serve America	Special Ed Part B	Title I Amendment	Special Ed Pre-school	Adult Education	Vocational and Technology Board Grants
Cash and investments - beginning	\$ (1)	\$ 4	\$ -	\$ (2,691)	\$ 1	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	47,130	1,970,243	-	77,204	-	-
Interfund loans	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	47,130	1,970,243	-	77,204	-	-
Disbursements:						
Instruction	-	1,988,796	-	77,278	-	900
Support services	47,131	53,978	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	47,131	2,042,774	-	77,278	-	900
Excess (deficiency) of receipts over disbursements	(1)	(72,531)	-	(74)	-	(900)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	(72,531)	-	(74)	-	(900)
Cash and investments - ending	\$ (2)	\$ (72,527)	\$ -	\$ (2,765)	\$ 1	\$ (900)

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

	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	21st Century	21st Century	Payroll Clearing	Totals
Cash and investments - beginning	\$ (55,731)	\$ (937)	\$ (20)	\$ -	\$ 1,838,545	\$ 31,690,226
Receipts:						
Local sources	-	-	-	-	-	31,941,686
Intermediate sources	-	-	-	-	-	530
State sources	-	-	226,506	-	-	55,058,204
Federal sources	511,002	67,116	-	-	-	11,083,291
Interfund loans	-	-	-	-	-	7,707,000
Other receipts	-	-	-	-	18,632,549	18,632,549
Total receipts	<u>511,002</u>	<u>67,116</u>	<u>226,506</u>	<u>-</u>	<u>18,632,549</u>	<u>124,423,260</u>
Disbursements:						
Instruction	-	55,940	-	-	-	41,787,145
Support services	536,156	24,745	228,358	129	-	29,503,251
Noninstructional services	-	-	56,361	-	-	5,524,096
Facilities acquisition and construction	-	-	-	-	-	146,841
Debt service	-	-	-	-	-	10,483,371
Nonprogrammed charges	-	1,417	-	-	18,586,413	31,386,262
Interfund loans	-	-	-	-	-	7,707,000
Total disbursements	<u>536,156</u>	<u>82,102</u>	<u>284,719</u>	<u>129</u>	<u>18,586,413</u>	<u>126,537,966</u>
Excess (deficiency) of receipts over disbursements	<u>(25,154)</u>	<u>(14,986)</u>	<u>(58,213)</u>	<u>(129)</u>	<u>46,136</u>	<u>(2,114,706)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	3,469,381
Transfers out	-	-	-	-	-	(3,469,381)
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>(25,154)</u>	<u>(14,986)</u>	<u>(58,213)</u>	<u>(129)</u>	<u>46,136</u>	<u>(2,114,706)</u>
Cash and investments - ending	<u>\$ (80,885)</u>	<u>\$ (15,923)</u>	<u>\$ (58,233)</u>	<u>\$ (129)</u>	<u>\$ 1,884,681</u>	<u>\$ 29,575,520</u>

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ANDERSON COMMUNITY 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>\$ 266,544</u>	<u>\$ 444,068</u>

ANDERSON COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Anderson School Building Corporation	SERIES 2006 REFUNDING BONDS	\$ 6,317,000	07/15/06	01/15/28
Anderson School Building Corporation	FIRST MORTGAGE REFUNDING BONDS SERIES 2015	<u>1,220,000</u>	07/05/15	01/05/40
Total governmental activities		<u>7,537,000</u>		
Total of annual lease payments		<u>\$ 7,537,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	PENSION BONDS SERIES 10	\$ 24,710,000	\$ 2,471,122
Total governmental activities		<u>24,710,000</u>	<u>2,471,122</u>
Totals		<u>\$ 24,710,000</u>	<u>\$ 2,471,122</u>

ANDERSON COMMUNITY 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.

	Ending Balance
Governmental activities:	
Land	\$ 760,000
Buildings	222,303,388
Improvements other than buildings	1,813,120
Machinery, equipment, and vehicles	<u>10,999,649</u>
Total governmental activities	<u>235,876,157</u>
Total capital assets	<u><u>\$ 235,876,157</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 ANDERSON COMMUNITY SCHOOL
CORPORATION, MADISON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Anderson Community 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 items 2018-004, 2018-005, and 2018-007. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 items 2018-003, 2018-004, 2018-005, 2018-006, and 2018-007, 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.

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, CPA
State Examiner

March 12, 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.

ANDERSON COMMUNITY 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
Department of Agriculture							
Child Nutrition Cluster							
SCHOOL BREAKFAST PROGRAM	INDIANA DEPARTMENT OF EDUCATION	10.553					
SCHOOL BREAKFAST PROGRAM			FY 16-17	\$ -	\$ 820,754	\$ -	\$ -
SCHOOL BREAKFAST PROGRAM			FY 17-18	-	-	-	846,812
Total - SCHOOL BREAKFAST PROGRAM				-	820,754	-	846,812
NATIONAL SCHOOL LUNCH PROGRAM							
SCHOOL LUNCH PROGRAM	INDIANA DEPARTMENT OF EDUCATION	10.555					
SCHOOL LUNCH PROGRAM			FY 16-17	-	2,929,852	-	-
COMMODITIES			FY 17-18	-	-	-	3,038,750
COMMODITIES			FY 16-17	-	338,240	-	-
COMMODITIES			FY 17-18	-	-	-	331,156
Total - NATIONAL SCHOOL LUNCH PROGRAM				-	3,268,092	-	3,369,906
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN							
SCHOOL SUMMER FEED PROGRAM	INDIANA DEPARTMENT OF EDUCATION	10.559					
SCHOOL SUMMER FEED PROGRAM			FY 16-17	-	50,590	-	-
			FY 17-18	-	-	-	69,955
Total - SUMMER FOOD SERVICE PROGRAM FOR CHILDREN				-	50,590	-	69,955
Total - Child Nutrition Cluster				-	4,139,436	-	4,286,673
CHILD & ADULT CARE FOOD PROGRAM							
SCHOOL EVENING FEED PROGRAM	INDIANA DEPARTMENT OF EDUCATION	10.558					
			FY 17-18	-	-	-	23,636
Total - Department of Agriculture				-	4,139,436	-	4,310,309
Department of Education							
Special Education Cluster							
SPECIAL EDUCATION GRANTS TO STATES	INDIANA DEPARTMENT OF EDUCATION	84.027					
SPECIAL EDUCATION PART B			14217-002-PN01	-	2,208,478	-	-
SPECIAL EDUCATION PART B			18611-002-PN01	-	-	-	1,970,243
Total - SPECIAL EDUCATION GRANTS TO STATES				-	2,208,478	-	1,970,243
SPECIAL EDUCATION PRESCHOOL GRANTS							
SPECIAL ED PRE-SCHOOL	INDIANA DEPARTMENT OF EDUCATION	84.173					
SPECIAL EDUCATION PRE-SCHOOL			18619-002-PN01	-	-	-	74,000
			45717-002-PN01	-	90,080	-	3,204
Total - SPECIAL EDUCATION PRESCHOOL GRANTS				-	90,080	-	77,204
Total - Special Education Cluster				-	2,298,558	-	2,047,447
ADULT EDUCATION-BASIC GRANTS TO STATES							
ADULT BASIC EDUCATION	INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT	84.002					
			C1-6-AE-5-797	-	20,205	-	-
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES							
TITLE I BASIC GRANT	INDIANA DEPARTMENT OF EDUCATION	84.010					
TITLE I BASIC GRANT			S010A150014	-	305,420	-	-
TITLE I BASIC GRANT			S010A160014	-	3,037,192	-	310,077
TITLE I BASIC GRANT			S010A170014	-	-	-	3,021,160
TITLE I SCHOOL IMPROVEMENT GRANT			S010A150014	-	18,730	-	-
TITLE I SCHOOL IMPROVEMENT GRANT			S010A160014	-	-	-	45,000
TITLE I SCHOOL IMPROVEMENT GRANT			S010A170014	-	-	-	1,504
Total - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES				-	3,361,342	-	3,377,741
TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH							
TITLE I PART D	INDIANA DEPARTMENT OF EDUCATION	84.013					
			S010A160014	-	21,834	-	16,378

ANDERSON COMMUNITY 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
TITLE I PART D			S010A150014	-	17,437	-	-
TITLE I PART D			S010A170014	-	-	-	32,624
Total - TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH				-	39,271	-	49,002
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES CARL PERKINS GRANT CARL PERKINS	INDIANA DEPARTMENT OF EDUCATION	84.048	17-4700-5275 18-4700-5275	- -	256,467 -	- -	- 195,170
Total - CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES				-	256,467	-	195,170
EDUCATION FOR HOMELESS CHILDREN AND YOUTH MCKINNEY VENTO HOMELESS MCKINNEY VENTO HOMELESS	INDIANA DEPARTMENT OF EDUCATION	84.196	7000A196150015 7000S196A150015	- -	27,669 15,687	- -	29,799 17,331
Total - EDUCATION FOR HOMELESS CHILDREN AND YOUTH				-	43,356	-	47,130
TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS 21ST CENTURY COMMUNITY LEARNING CENTERS	INDIANA DEPARTMENT OF EDUCATION	84.287	S287C160014	-	41,451	-	226,506
Total - TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS				-	41,451	-	226,506
ENGLISH LANGUAGE ACQUISITION STATE GRANTS TITLE III TITLE III	INDIANA DEPARTMENT OF EDUCATION	84.365	01116-063-PN01 01117-060-PN01	- -	47,180 9,256	- -	21,469 45,647
Total - ENGLISH LANGUAGE ACQUISITION STATE GRANTS				-	56,436	-	67,116
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS TITLE II PART A TITLE II PART A TITLE II PART A	INDIANA DEPARTMENT OF EDUCATION	84.367	S367A150013 S367A160013 S367A170013	- - -	307,629 401,413 -	- - -	- 100,111 410,891
Total - SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS				-	709,042	-	511,002
SCHOOL IMPROVEMENT GRANTS TITLE I SCHOOL IMPROVEMENT TITLE I SCHOOL IMPROVEMENT	INDIANA DEPARTMENT OF EDUCATION	84.377	S377A130015 S377A140015	- -	173,001 -	- -	72,886 317,303
Total - SCHOOL IMPROVEMENT GRANTS				-	173,001	-	390,189
Total - Department of Education				-	6,826,128	-	6,521,114
<u>Department of Health and Human Services</u>							
COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE ANTI-SMOKING PROGRAM	INDIANA DEPARTMENT OF EDUCATION	93.079	FY2017	-	500	-	-
Total - Department of Health and Human Services				-	500	-	-
<u>Social Security Administration</u>							
SOCIAL SECURITY DISABILITY INSURANCE DISABILITY DETERMINATION DISABILITY DETERMINATION	INDIANA DEPARTMENT OF EDUCATION	96.001	FY2017 FY2018	- -	1,778 -	- -	- 2,954
Total - Social Security Administration				-	1,778	-	2,954
Total federal awards expended				\$ -	\$ 11,140,843	\$ -	\$ 11,224,566

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

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

Note 1. Basis of Presentation

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

ANDERSON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies 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:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.367	Supporting Effective Instruction	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 2018-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-001.

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).

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

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway), which was the source of the School Corporation's SEFA. The Deputy Treasurer prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

Context

The SEFA presented for audit contained numerous errors for a total overstatement of \$1,090,560. The material errors were as follows:

For fiscal year 2017:

- The Child Nutrition Cluster was overstated by \$712,908.
- The School Breakfast Program was overstated by \$44,610.
- The National School Lunch Program was overstated by \$718,888.
- The Summer Food Service Program for Children was understated by \$50,590.

For fiscal year 2018:

- The Child Nutrition Cluster was overstated by \$382,884.
- The School Breakfast Program was overstated by \$33,384.
- The National School Lunch Program was overstated by \$419,455.
- The Summer Food Service Program for Children was understated by \$69,955.

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

Criteria

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

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

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

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the Context.

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

Recommendation

We recommended that the School Corporation's 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.

FINDING 2018-002

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Condition

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting related to cash and investments.

There was no evidence of oversight over cash and investments during the audit period. During the review of the Bank Reconcilements, we identified a difference between the adjusted bank balance and the ledger at June 30, 2017, and June 30, 2018. At June 30, 2017, and June 30, 2018, the adjusted bank balance was higher than the ledger by \$144,739 and \$117,723, respectively.

Context

The lack of controls and noncompliance 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. . . ."

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

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

Cause

Management of the School Corporation had not established a proper system of internal control controls that would ensure proper reporting of cash and investments balances.

Effect

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

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to financial transactions and reporting for cash and investments to ensure the accuracy of the financial information reported.

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 2018-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles, Cash Management, Reporting, Special Tests and Provisions - School Food Account, Special Tests and Provisions - Paid Lunch Equity

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: FY 16-17, FY 17-18

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Cash Management, Reporting, Special Tests and Provisions - School Food Account, Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit regarding Cash Management, Reporting, Special Test and Provisions - Paid Lunch Equity, and Special Tests and Provisions - School Food Accounts. The prior audit finding number was 2016-003.

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

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 Allowable Costs/Cost Principles, Cash Management, Reporting, Special Tests and Provisions - Paid Lunch Equity, and Special Tests and Provisions - School Food Account compliance requirements.

Allowable Costs/Cost Principles

For the majority of the audit period (twenty-one months), there was no evidence of oversight, review or approval process for Time and Effort maintenance.

Cash Management

For the majority of the audit period (twenty-one months), there was no evidence of oversight, review, or approval process for reimbursements by the School Corporation.

Reporting

For the majority of the audit period (twenty-one months), the reimbursement reports to the state were prepared and submitted by one individual without any evidence of oversight or review. The Verification Summary Reports are prepared and submitted by one individual without any evidence of oversight or review process.

Special Tests and Provisions - School Food Account

For the majority of the audit period (twenty-one months), receipts and disbursements were posted to the School Food Account by one individual without an oversight, review, or approval process.

Special Tests and Provisions - Paid Lunch Equity

Paid Lunch Equity calculations were prepared by the Food Service Director without an oversight, review, or approval process.

Context

The lack of controls was a systemic issue, which occurred throughout the majority of 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). . . ."

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Activities/Cost Principles, Cash Management, Reporting, Special Tests and Provisions - School Food Account, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to establish an effective system of internal control placed the School Corporation at risk of noncompliance with the grant agreement and the Allowable Activities/Cost Principles, Cash Management, Reporting, Special Tests and Provisions - School Food Account, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Activities/Cost Principles, Cash Management, Reporting, Special Tests and Provisions - School Food Account, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

FINDING 2018-004

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

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: FY 16-17, FY 17-18

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements. The School Corporation has not established monitoring procedures to ensure grant expenditures were for allowable activities and allowable costs.

Of the forty claims examined for the Child Nutrition Cluster during the audit period, one disbursement was made for the purchase of a gift in the amount of \$85. The claim was determined to be an unallowable activity for the Child Nutrition Cluster. The School Corporation was also unable to provide supporting documentation for another disbursement made during the audit period.

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

Context

The lack of controls and noncompliance were isolated events, which occurred during 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 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. . . ."

7 CFR 210.2 states in part: ". . . . *Nonprofit school food service* means all food service operations conducted by the school food authority principally for the benefit of schoolchildren, all of the revenue from which is used solely for the operation or improvement of such food services. . . ."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Cost/Cost Principle compliance requirements.

Questioned Costs

There were no questioned costs identified during the audit period.

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

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Activities Allowed or Unallowed and Allowable Cost/Cost Principle compliance requirements.

Views of Responsible Officials

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

FINDING 2018-005

Subject: Child Nutrition Cluster - Program Income
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: FY 16-17, FY 17-18
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Program Income compliance requirement that program income was properly accounted for in the School Corporation's records.

The School Corporation did not comply with requirements for accounting for program income generated from the operation of the school food service program. A separate fund is required for collections for prepaid meals. Collections for both prepaid meals and meals served were commingled within the School Lunch fund. The School Lunch fund should only include income from meals served. Additionally, the School Corporation Extra-Curricular (ECA) account balance did not agree to the balance reported in the School Lunch fund on the School Corporation's records at June 30, 2017, and June 30, 2018.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 210.14(c) states:

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

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . ."

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

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Bulletin and Uniform Compliance Guidelines, September 2008)

Our opinion is that money a student puts into their individual meal account should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while it is in the student's individual account the balance should not be included in Fund 800 School Lunch. Our recommendation is that you set up a clearing account with the fund number of 8400. Our suggestion is when a student brings in a deposit the receipt would be recorded to fund 8400 using receipt account number 1630. Periodically, after the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 and receipt it into fund 800 using receipt accounts 1611-1623. At his point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the 8400 fund should be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

Cause

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

Effect

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

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2018-006

Subject: Title I Grants to Local Educational Agencies - Allowable
Costs/Cost Principles, Period of Performance

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers (or Other Identifying Numbers): S010A150014, S010A160014, S010A170014

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Period of Performance

Audit Finding: Material Weakness

Repeat

This is a repeat finding from the immediately prior audit regarding Period of Performance. The prior audit finding number was 2016-005.

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 Allowable Costs/Cost Principles and Period of Performance compliance requirements.

Allowable Costs/Cost Principles

There was no evidence of the performance of a calculation of indirect costs allowed for comparison to amounts charged to the grant funds and no oversight or monitoring procedures in place to ensure indirect costs did not exceed the allowable amounts.

Period of Performance

Adjustments were made moving expenditures between grant funds with no evidence of oversight.

Context

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

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

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). . . ."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Allowable Costs/Cost Principles and Period of Performance compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Allowable Costs/Cost Principles and Period of Performance compliance requirements.

Views of Responsible Officials

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

FINDING 2018-007

Subject: Supporting Effective Instruction State Grants - Period of Performance
Federal Agency: Department of Education
Federal Program: Supporting Effective Instruction State Grants
CFDA Number: 84.367
Federal Award Numbers: S367A150013, S367A160013, S367A170013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Period of Performance
Audit Findings: Material Weakness, Other Matters

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

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-007.

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 Period of Performance compliance requirement.

The School Corporation did not comply with the Period of Performance compliance requirement that all obligations for expenditures made from program funds were incurred within the period of performance. In one instance, the School Corporation requested reimbursement for expenditures incurred a month prior to the period of performance for the grant.

Grant adjustments were made between two grants during the audit period without evidence of monitoring for compliance with the Period of Performance compliance requirement. Adjustments were identified for expenditure transactions that were incurred within one grant year and adjusted to the subsequent grant year; however, the transactions adjusted were not within the period of performance for the subsequent grant year.

Context

The lack of controls and noncompliance were systematic issues, which occurred 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 200.309 states:

"A non-federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in § 200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Period of Performance compliance requirements.

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

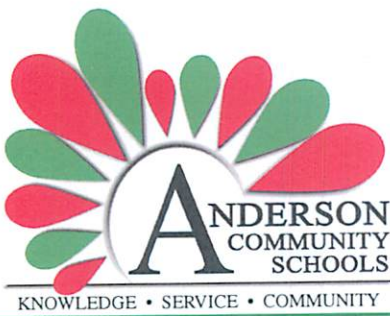
We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Period of Performance compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



1600 Hillcrest Avenue • Anderson, Indiana 46011 • 765.641.2000 • Fax 765.641.2081

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: FY2014,FY2015,FY2016
Contact Person Responsible for Corrective Action: Kevin Brown/Janet Windlan
Contact Phone Number: 765-641-2006

Status of Audit Finding: In Progress

Finding 2016-001 SEFA Overstatements

Commodities were required to be reported and were previously unreported under the National School Lunch Program on the SEFA report and the commodities have now been reported on the 2016/2017 and the 2017/2018 SEFA report. We had been unaware that the commodities needed to be reported. The overstatement of expenditures was due to incorrect information provided to the accounting department by the Food Service department. The Special Education and Title I Grants expenditures were overstated in error and special attention was made in reporting the 2016/2017 and 2017/2018 SEFA. This was a clerical error due to grants being listed that didn't apply to that reporting period. Also, an amount was slightly overstated and was simply an entry error. The previous SEFA reports on Gateway could not be printed out for viewing, which made it very difficult to detect errors. Prior to the last audit the State Grants were listed on the SEFA report as I was told to do by the state board of accounts. They have not been listed on the SEFA reports for this audit period as instructed by the auditors during the last audit. The overstatements on the SEFA report of the State grants were from posting information from a prior year and the grants should not have even been listed.

Internal Controls

The SEFA report is now audited by the Treasurer, Kevin Brown, before being submitted by signing and dating the paper copy. Formerly, Mr. Brown had been reviewing all grants that feed into the SEFA report, and continues to do so. Mr. Brown reviews the amounts and compares them to the financial statements that are provided to him on a monthly basis. Mr. Brown is always given the financial reports each month and continues to review the expenditures and receipts. We have paid special attention to completing the CFDA number or other identifying numbers if the CFDA information is not available. We believe the SEFA reporting by our corporation has improved and that we are in compliance.



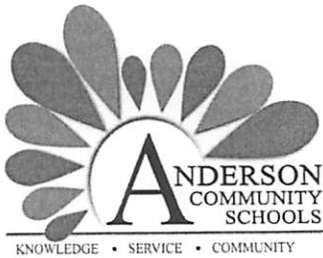
(Signature)

TREASURER

(Title)

FEBRUARY 15, 2019

(Date)



Food Service Department

Donna Curtis, Food Service Director
dcurtis@acsc.net

1600 Hillcrest Avenue • Anderson, IN 46011 • Phone (765)641-2094 • FAX (765)683-4458

FINDING 2016-002

Fiscal year in which the finding initially occurred: **FY 2015, FY 2016**

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

Contact Person Responsible for Corrective Action: **Donna Curtis**

Contact Phone Number: **765-641-2096**

Status of Audit Finding: **Corrected April 2018.**

There were several deficiencies in the internal control system of the School Corporation related to Financial Transactions and Reporting of the School Lunch Fund.

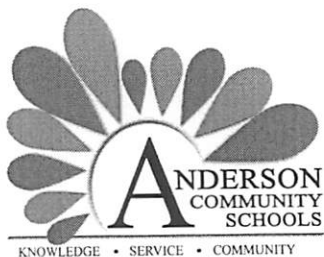
Lack of Segregation of Duties:

- At the school level, each cashier enters their cash into the cash counter, unaware if it is an exact match. Each cash drawer is then taken to the head cashier to re-enter and reconcile. A report is printed for each drawer and a final total is reached, reviewed and signed by the Manager. From this report a deposit slip is generated and taken to the bank. At week's end the deposit slip, the cashier reports, and the bank receipts are brought to the Central office and checked for accuracy by the Book keeper and the Director and filed by date.
- Prior to posting checks, the Book-keeper generates a report and takes to the Director for review. After signing off on the report the Book-keeper then issues the checks and prints a report for the Director to review and sign. The book-keeper reconciles the bank statements and takes to the Director for review. Financial statements are prepared and reviewed by the Director and taken to the deputy Treasure monthly.

Donna M. Curtis

Food Service Director

2/7/2019



Food Service Department

Donna Curtis, Food Service Director
dcurtis@acsc.net

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FINDING 2016-003

Fiscal year in which the finding initially occurred: FY 2015, FY 2016

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

Contact Person Responsible for Corrective Action: **Donna Curtis**

Contact Phone Number: **765-641-2096**

Status of Audit Finding: **Reporting, Paid Lunch Equity, Special Tests and Provisions:
Corrected April 2018**

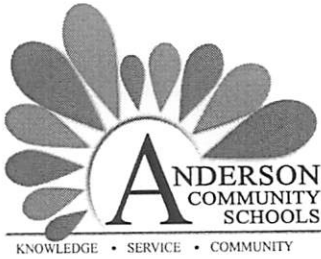
Cash Management, Program income: **Work in Progress**

Finding: Material Weakness

- Reporting: The reimbursement report (the claim) is now reviewed prior to submission to the State by the Director.
- Paid Lunch Equity: not until 2018 was the PLE taken to the Business Office for review. An exemption was requested and received for the 18-19 school year prior to learning we would participate in Community Free Eligibility. In a previous year an error was made due to lack of oversight.
- Special Tests and Provisions. Prior to posting checks, a report is generated by the book-keeper and taken to the Director for review. The Director signs all Purchase Agreements, reviews the reports, signs and returns to the Book-keeper for payments.
- Cash Management: Indirect costs had not come out of the Food Service Account causing our balance to reflect that it was over the allowable 3 month operational funds. This was a finding that had not occurred prior to this time or after this time period. In hindsight, a new Annual Financial Statement should have been submitted after payment was made.
- Program Income: To date we have not had any oversight from the Corporation for recording and depositing income. We handle all of the Food Service financial business from our Department independent of the Corporation. We submit monthly financial statements for review. I also submit copies of any documents requested from the State to the Corporation for their review.

Donna M. Curtis

Food Service Director
2/19/2019



Food Service Department

Donna Curtis, Food Service Director
dcurtis@acsc.net

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FINDING: 2016-004

Fiscal year in which the finding initially occurred: FY 2015, FY 2016

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

Contact Person Responsible for Corrective Action: **Donna Curtis**

Contact Phone Number: 765-641-2096

Status of Audit Finding: **Corrected, April 2018**

Policy for Procurement:

- Prior to school year 2017-18 it was required by the State to submit a procurement plan, which was sent June 13, 2017 and accepted June 14, 2017.
- It was brought to my attention in the audit of 2015, the need for having Debarment and Suspension records on file by each of our vendors. This was completed at that time. Whenever we have any dealing with a new vendor, I check out the SAM website for any suspensions or debarments, print and file.
- The Food Service Dept has been an extracurricular account of the Corporation in all 40 years of my employment. When I assumed the job as Director in 2014, there were no changes to the policies and procedures that were in place at that time. Our Dept. was managed in the same fashion as it had been to all prior audits and because these finding were not apparent in previous audits there was no immediate need for concern that we were not managing the Dept as needed. As we learned of new procedures we have adjusted accordingly.

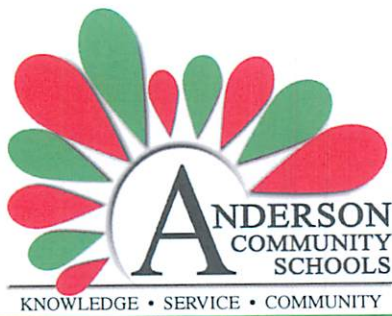
OMB Circular A-133

- This practice was another unknown requirement for our Dept. For the 2018-19 school year, each employee attests and signs that they are indeed performing only those duties required by the Dept for the purpose of preparing meals and feeding children.

Donna M. Curtis

Food Service Director

2/7/2019



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-005

Fiscal year in which the finding initially occurred: FY2014 FY 2015 FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Pam Storm
Contact Phone Number: 765-641-2160

Status of Audit Finding: Corrected April 2018

Response to Audit Findings

Title I

2016-005

1. Findings Level of Effort - Supplement not Supplant, Earmarking, and Special Tests and Provisions Assessment System Security: No documentation was provided showing the School Corporation

Designated an individual to monitor for compliance with this requirement nor was there an individual to oversee the monitoring.

Response: Supplement not Supplant: To ensure that Title I Part A funds are used to provide services that are in addition to the regular services normally provided by a school district for participating children, the district uses these funds to supplement, not supplant regular non-Federal funds. Federal Grants Coordinator meets with each school twice annually for monitoring and compliance. Coordinator then meets with the assistant superintendent to discuss findings. Monitoring notebooks are kept for at least five years.

All Federal funds including Title I funds are used as educational funds to supplement those funds that are required as a part of the regular educational school programs. Evidences includes: school budgets, district budget, and back-up documentation demonstrating that the schools are receiving proper amount of funds for free public education, including funds for services for English Learners and Special Education students. All expenditures in Schoolwide programs are aligned to the comprehensive needs assessment and described in the written schools' PL221 plan.

2. Finding Period of Performance: Adjustments were made moving expenditures between grant funds with no evidence of oversight.

When an adjustment is made Deputy Treasurer will sign documentation as well as Federal grants coordinator. The Deputy Treasurer will keep documentation on file for 5 years.

3. Finding: The accounting Supervisor prepared and submitted the Final annual Expenditure report with no evidence of oversight.

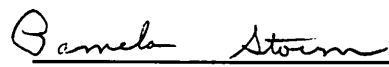
When Deputy Treasure completes Final Annual Expenditure report she will submit to Federal Grants Coordinator who will sign off on report. Then both will keep signed copy for records.

4. Findings: Comparability: The Grants Coordinator prepares the comparability reports from the state's reporting system with no evidence of oversight.

5. Comparability report-Human Resources and Power School Technology will provide the data for the report Federal Grants Coordinator will prepare the report then Assistant Superintendent will sign-off. The Federal Grants Coordinator will submit the report.

6. The high school registrar reports the mobility of in the school corporation after the high school principal signs off on related documentation.

7. We comply with annual State requirements which includes a testing integrate sign-off by every teacher in the corporation. The corporation Test Coordinator tracks and keeps all of this documentation. After school professional development is given on every State protocol. Testing rooms are secured and locked to protect sensitive testing materials. Any violations of State protocols are immediately reported to IDOE. All assessment system security is posted on the corporation website as well.

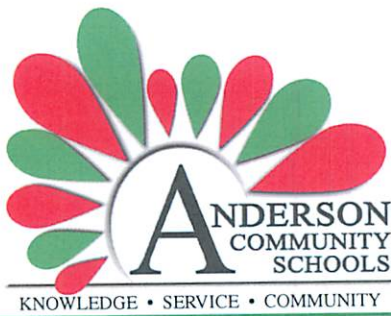


(Signature)

Federal Grant Coordinator
(Title)

2/22/2019
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-006

Fiscal year in which the finding initially occurred: FY2014 FY 2015 FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Pam Storm
Contact Phone Number: 765-641-2160

Status of Audit Finding: Corrected April 2018

Response to Audit Findings

2016-006

Compliance of Internal Control for Federal Grants

Central Stores

A central stores request is filled out prior to purchase from central stores. All purchases will be signed off by the assistant superintendents, or Federal Grants coordinator. When the voucher is submitted to accounts payable it will signed off by the central stores director.

Purchase by Credit Card

If purchasing using the corporation credit card. A credit Card Purchasing Form will be filled out completely and sent to the assistant superintendent for a signature. After assistant superintendent's sign the form will be sent to the Administrative Assistant for the Chief Financial Officer for processing and signature. Form is attached

Control Environment-Organizational Structure for Purchases Using Purchase Order

Assistant Superintendent-Federal Grants Coordinator – Federal Grant Secretary

Chief financial Officer – Corporation Duty Treasurer- Purchasing

Assistant Superintendent Responsibilities-Monitoring Compliance Activities, Information and Communication

- Initiate Annual Needs Assessment
- Review School Improvement Plans
- Analyze Assessment Data
- Triangulate information for discussion with Building Level and Central Office Level Personnel.
- Develop a plan to meet the needs of instructional staff throughout district.
- Point of origin for contracted services, professional development activities, and other service

Federal Grant Coordinator Responsibilities- Risk Assessment, Information and Communication

- Make sure purchase align with Federal Grant Objectives
- Attach appropriate account numbers and sign off
- Send account numbers to Federal Grants Secretary for Purchase Order Processing

Federal Grant Secretary Responsibilities-Control Activities

- Generate Detailed Purchase Order
- Send to Assistant superintendent for Signature-Control activities

• After Assistant Superintendent Signature Purchase Order it is sent to Chief financial Officer

Chief Financial Officer Responsibilities'- Monitoring and Control Activities

- Sign off on Purchase Order
- Send to Deputy Treasure and Purchasing Secretary

The Corporation has established internal controls over the federal award by insuring funds are expended from the appropriate fiscal year .

Federal Grant Coordinator

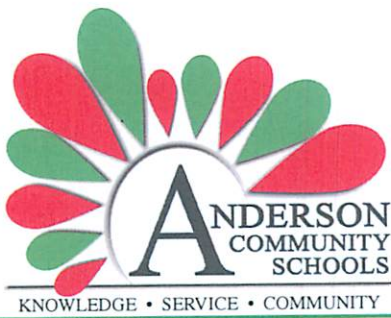
- Review monthly summary of accounts from Deputy treasure sign off and Return to treasurer in Order to Guaranteeing the Monitoring of Expenses according to Grant Goals

Pamela Storm
(Signature)

Federal Grant Coordinator
(Title)

2/22/2019
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-007

Fiscal year in which the finding initially occurred: FY2014 FY 2015 FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Pam Storm
Contact Phone Number: 765-641-2160

Status of Audit Finding: Corrected April 2018

Response to Audit Findings

2016-007

Compliance of Internal Control for Federal Grants

Central Stores

A central stores request is filled out prior to purchase from central stores. All purchases will be signed off by the assistant superintendents, or Federal Grants coordinator. When the voucher is submitted to accounts payable it will signed off by the central stores director.

Purchase by Credit Card

If purchasing using the corporation credit card. A credit Card Purchasing Form will be filled out completely and sent to the assistant superintendent for a signature. After assistant superintendent's sign the form will be sent to the Administrative Assistant for the Chief Financial Officer for processing and signature. Form is attached

Control Environment-Organizational Structure for Purchases Using Purchase Order

Assistant Superintendent-Federal Grants Coordinator – Federal Grant Secretary

Chief financial Officer – Corporation Duty Treasurer- Purchasing

Assistant Superintendent Responsibilities-Monitoring Compliance Activities, Information and Communication

- Initiate Annual Needs Assessment
- Review School Improvement Plans
- Analyze Assessment Data
- Triangulate information for discussion with Building Level and Central Office Level Personnel.
- Develop a plan to meet the needs of instructional staff throughout district.
- Point of origin for contracted services, professional development activities, and other service

Federal Grant Coordinator Responsibilities- Risk Assessment, Information and Communication

- Make sure purchase align with Federal Grant Objectives
- Attach appropriate account numbers and sign off
- Send account numbers to Federal Grants Secretary for Purchase Order Processing

Federal Grant Secretary Responsibilities-Control Activities

- Generate Detailed Purchase Order
- Send to Assistant superintendent for Signature-Control activities
- After Assistant Superintendent Signature Purchase Order it is sent to Chief financial Officer

Chief Financial Officer Responsibilities'- Monitoring and Control Activities

- Sign off on Purchase Order
- Send to Deputy Treasure and Purchasing Secretary

The Corporation has established internal controls over the federal award by insuring funds are expended from the appropriate fiscal year .

Federal Grant Coordinator

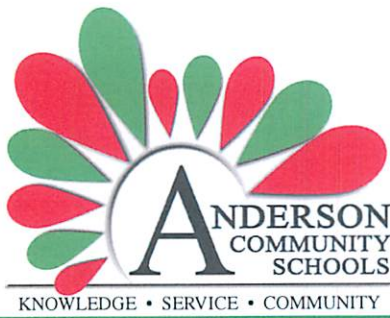
- Review monthly summary of accounts from Deputy treasure sign off and Return to treasurer in Order to Guaranteeing the Monitoring of Expenses according to Grant Goals

Pamela Storm
(Signature)

Federal Grant Coordinator
(Title)

2/22/2019
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-008

Fiscal year in which the finding initially occurred: FY2014 FY 2015 FY2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Pam Storm
Contact Phone Number: 765-641-2160

Status of Audit Finding: Corrected April 2018

Response to Audit Findings

2016-008

Finding 2016-008

Assistant superintendent

Initiate an annual assessment of needs to gather data for the next year's professional development. This needs assessment is sent out during the month of May using a digital format for use collection and analysis. The results of the needs assessment, school improvement plans and assessment data is triangulated in order to plan upcoming professional development. The corporation uses Technology Uses and Perception Survey and Technology Integration Matrix Observation.

Pamela Storm
(Signature)

Federal Grant Coordinator
(Title)

2/22/2019
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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CORRECTIVE ACTION PLAN

Section II- Financial Statement Findings

FINDING 2018-001

Contact Person Responsible for Corrective Action: Janet Windlan, Deputy Treasurer
Contact Phone Number: 765-641-2006

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

The Schedule of Expenditures of Federal Awards (SEFA) report is a work in progress. This is a report that was previously done by the state board of account auditors for each audit. It has since become the responsibility of the corporations or organizations. We have tried to improve on this report for each audit period and I believe we have improved a great deal on reporting our financials correctly. The problem has been the inaccurate information that has been given to us for the food service department. We have been given resources to verify the information given to us by accessing the state website. After completing the report it is given to the Treasurer and CFO, Kevin Brown to verify and sign the report. The overstatements are actually the incorrect information that was reported on the SEFA from the food service department and are not actually shortages.

FINDING 2018-002

Contact Person Responsible for Corrective Action: Janet Windlan, Deputy Treasurer
Contact Phone Number: 765-641-2006

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

The bank reconciliation program provided by an outside vendor has errors inherent in the program that we have been addressing since 2016. The bank statement showed an overstatement of \$144,739 at the end of June 2017 and we have found some of those errors in the program and now the statement is overstated by \$117,723 at the end of June 2018. We have the programmers from Software Systems, our current computer system, looking into the problems and they have stated that as of September 2018, they have found \$114,000 of the errors. Once they are up to date we will do an adjustment to fix the errors. Valorie Muncy does the bank statement each month and I verbally have been approving the work. I will from now on sign off on each statement that I have approved.

Section III- Federal Award Findings and Questioned Costs

FINDING 2018-003

Contact Person Responsible for Corrective Action: Donna Curtis, Director of Food Service
Contact Phone Number: 765-641-2096

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

CORRECTED: APRIL, 2018

Repeat Finding. This is a repeat finding from the immediately prior audit regarding Cash Management, Program Income, Reporting, Special Test and Provisions - Paid Lunch Equity, Special Tests and Provisions - School Food Accounts. The prior audit finding number was 2016-003.

- Allowable Activities: A Time / Effort (OMB-87) is now maintained by the Food Service Dept. on a semi-annual basis.**
- The claim for reimbursement is prepared by the Book-Keeper from the reports generated in the POS and reviewed prior to submission by the Director. The Verification Summary Report is prepared by the Free /Reduced Processor and is reviewed by the Director for accuracy.**
- Cash Management: A financial report is submitted to the Deputy Treasurer on a monthly basis. The Business Manager is given a copy of the report and also any requirements mandated by the State, such as the PLE and the Non Program Food Tool for his review. Commodity allowance is reported to the Deputy treasurer in the month February.**
- Special Tests and Provisions: The Food Service Dept has completely re-thought the cash flow process. In each school, the Cashier and the Manager count and prepare the deposit which after depositing is brought to the Central Office to the Book-keeper for the initial review and then taken to the Director to sign-off after checking the deposit against the report for an exact match. All Purchase orders are checked and initialed by the Director prior to payment.**

Section III- Federal Award Findings and Questioned Costs

FINDING 2018-004

Contact Person Responsible for Corrective Action: Donna Curtis, Director of Food Service
Contact Phone Number: 765-641-2096

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

When brought to the attention of the Food Service Director the practice of purchasing any bereavement condolences such as flowers, gifts, cards, etc to employees is not an allowable expenditure. This practice stopped immediately.

Section III- Federal Award Findings and Questioned Costs

FINDING 2018-005

Contact Person Responsible for Corrective Action: Donna Curtis, Director of Food Service
Contact Phone Number: 765-641-2096

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

CORRECTIVE ACTION: Work in Progress

It has been determined that eliminating the pre-pay option would be the simplest solution to this finding. Now that Anderson is a CEP district, only ala cart monies and adult lunch monies are collected via my school bucks to these pre paid accounts. This process will begin in March, 2019 through the remaining SY 18-19. No money will be collected past the month of March with the hope that all monies in the existing accounts will be exhausted by the end of SY 18-19. The Food Service Department and the Chief of Operations will determine the best methods to communicate to students and parents.

Section III- Federal Award Findings and Questioned Costs

FINDING 2018-006

Contact Person Responsible for Corrective Action: Pam Storm, Director of Federal Grants
Contact Phone Number: 765-641-2160

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

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 following compliance requirements:

Allowable Costs/Cost Principles and Period of Performance

There was no evidence of oversight of indirect costs charged to the grant funds.

Response to finding

When Title I final report is submitted the Deputy Treasurer will sign documentation as well as Federal Grants Coordinator to verify indirect cost is accurate and charged is within the legal amount.

Period of Performance

Adjustments were made moving expenditures between grant funds with no evidence of oversight

Response to finding

When an adjustment is made Deputy Treasurer will sign documentation as well as Federal grants coordinator. The Deputy Treasurer will keep documentation on file for 5 years.

Section III- Federal Award Findings and Questioned Costs

FINDING 2018-007

Contact Person Responsible for Corrective Action: Pam Storm, Director of Federal Grants
Contact Phone Number: 765-641-2160

Views of Responsible Official: **See Below**

Description of Corrective Action Plan:

Grant adjustments were made between two grants during the audit period without evidence of monitoring for compliance with the grant requirements over the period of performance. The adjustments were for expenditure transactions that were incurred within one grant period and transferred to another grant, for which was outside the period of performance.

Response to finding

When an adjustment is made Deputy Treasurer will sign documentation as well as Federal grants coordinator. Both parties will check and verify that all expenditures are within the grant period. The Deputy Treasurer will keep documentation on file for 5 years.

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/>.