

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WHITE RIVER VALLEY SCHOOL DISTRICT
GREENE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
05/29/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	21-34
Schedule of Leases and Debt	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	38-40
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-64
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	66-70
Corrective Action Plan	71-75
Other Reports.....	76

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jayne A. Kaho	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Robert M. Hacker	07-01-16 to 06-30-19
President of the School Board	Jason Davidson David Reed	01-01-16 to 12-31-16 01-01-17 to 12-31-19



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WHITE RIVER VALLEY SCHOOL
DISTRICT, GREENE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the White River Valley School District (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 and Schedule of Leases and Debt, 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 April 8, 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

April 8, 2019



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE WHITE RIVER VALLEY SCHOOL
DISTRICT, GREENE 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 White River Valley School District (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 April 8, 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 item 2018-001, that we consider to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 item 2018-001.

White River Valley School District'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

April 8, 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.

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

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 3,767	\$ 5,032,566	\$ 4,665,146	\$ (330,000)	\$ 41,187	\$ 5,337,436	\$ 5,174,313	\$ -	\$ 204,310
Referendum Tax Levy	1,062,842	1,635,624	1,915,895	330,000	1,112,571	1,657,305	1,547,100	-	1,222,776
Debt Service	204,702	166,209	172,084	-	198,827	175,210	165,469	-	208,568
Retirement/Severance Bond Debt Service	161,170	197,550	280,706	-	78,014	242,279	281,621	-	38,672
Capital Projects	255,886	1,113,726	830,273	(150,000)	389,339	1,073,342	989,915	-	472,766
School Transportation	346,828	732,121	614,548	(125,000)	339,401	789,759	616,013	3,500	516,647
School Bus Replacement	75,043	-	-	(75,043)	-	-	-	-	-
Rainy Day	1,570,643	-	-	350,043	1,920,686	-	-	-	1,920,686
School Lunch	(72,041)	340,845	373,664	-	(104,860)	340,794	312,503	-	(76,569)
Textbook Rental	63,554	168,146	172,616	-	59,084	95,279	67,458	-	86,905
Repair and Replacement	135,621	52,980	65,599	-	123,002	15,644	68,566	-	70,080
Self-Insurance	-	-	-	-	-	672,163	-	-	672,163
Child Care Program	4,009	42,131	72,289	-	(26,149)	66,204	87,076	-	(47,021)
Early Learning Indiana	-	-	-	-	-	1,000	-	-	1,000
Educational License Plates	878	206	-	-	1,084	262	-	-	1,346
Lily Counseling Planning Grant	-	30,000	17,543	-	12,457	-	11,175	-	1,282
REMC Grant	-	-	-	-	-	1,000	1,000	-	-
Rowe Fund	173	150	-	-	323	200	-	-	523
Powers Trip Fund	919	-	-	-	919	625	-	-	1,544
Philanthropic	451	-	-	-	451	1,386	1,006	-	831
Elementary Tobacco Cessation	50	-	-	-	50	-	50	-	-
Donation - Competitive Grant	-	-	-	-	-	20,100	20,100	-	-
MSGC Foundation	-	-	-	-	-	1,000	-	-	1,000
Adult and Continuing Education	3,003	4,679	6,213	-	1,469	18,853	7,348	475	13,449
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	18,054	-	-	18,054
Project Lead The Way	8,560	330	460	-	8,430	-	7,043	-	1,387
Learning To Give	-	1,000	561	-	439	250	272	-	417
Formative Assessment	-	10,002	10,043	-	(41)	9,232	7,161	-	2,030
Instruction Support	(23,342)	27,688	51,580	-	(47,234)	27,440	35,462	-	(55,256)
Secured Schools Safety Grant	(59,549)	2,839	42,628	-	(99,338)	-	51,673	-	(151,011)
Non-English Speaking Programs	75	-	-	-	75	-	75	-	-

WHITE RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS,
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INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
School Technology	4,284	6,308	8,366	-	2,226	7,770	5,130	-	4,866
Career and Technical Performance Grant	-	4,778	-	-	4,778	-	-	-	4,778
Performance Based Awards	-	-	-	-	-	4,508	-	-	4,508
Greene County Consortium	9,049	-	-	-	9,049	-	-	-	9,049
Career Fair	1,800	-	-	-	1,800	-	-	-	1,800
Student Council Grant Fund	1,000	-	-	-	1,000	-	-	-	1,000
Ireland Healthy Lifestyle	731	-	-	-	731	-	731	-	-
E Rate	(878)	8,953	14,457	-	(6,382)	29,463	1,560	-	21,521
Senator David Ford Technology	948	-	-	-	948	-	-	-	948
Contributions/Donations - Private Sources	7,600	5,000	13,439	-	(839)	-	5,000	-	(5,839)
Project Success	343	-	-	-	343	-	343	-	-
Title I 2015-2016	(58,916)	163,920	105,004	-	-	-	-	-	-
Title I 2016-2017	-	126,773	187,386	-	(60,613)	152,066	91,453	-	-
Title I 2017-2018	-	-	-	-	-	168,337	187,508	-	(19,171)
Serve America	2,272	-	-	-	2,272	-	2,025	-	247
Vocational and Technology Board Grants	78	-	-	-	78	-	76	-	2
Enhanced Alternative Education Programs	(127)	-	-	-	(127)	-	-	-	(127)
Other Federal Programs	(3,024)	-	-	-	(3,024)	-	-	-	(3,024)
Improving Teacher Quality, No Child Left, Title II, Part A	(24,846)	-	40,726	-	(65,572)	32,592	16,406	-	(49,386)
ITQ, Enhanced Education Through Technology, Title II, Part D	(168)	-	-	-	(168)	-	-	-	(168)
Rural Schools Achievement	500	-	-	-	500	-	-	-	500
Rural Schools and Low Income Program - Pass Through State	(7,850)	-	16,065	-	(23,915)	16,284	10,102	-	(17,733)
Security Resource Officer	(2,821)	-	-	-	(2,821)	-	-	-	(2,821)
Special Education - Part B	40	-	-	-	40	-	-	-	40
Payroll Withholdings	24,396	1,973,893	1,634,400	-	363,889	1,562,922	1,902,083	-	24,728
Totals	<u>\$ 3,697,653</u>	<u>\$ 11,848,417</u>	<u>\$ 11,311,691</u>	<u>\$ -</u>	<u>\$ 4,234,379</u>	<u>\$ 12,538,759</u>	<u>\$ 11,674,816</u>	<u>\$ 3,975</u>	<u>\$ 5,102,297</u>

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

WHITE RIVER VALLEY SCHOOL DISTRICT
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.

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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 funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 and 2018. The School Lunch fund had experienced declining receipts, resulting in a cash balance deficit at June 30, 2017 and 2018. Expenditures were in excess of receipts for the Child Care Program in fiscal years 2016-2017 and 2017-2018, and the E Rate fund in 2016-2017.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the White River Valley School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2017 and 2018 totaled \$160,000 for each year.

WHITE RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Other Postemployment

The School Corporation provides a \$3,000 life insurance policy to eligible retirees. This benefit poses a liability to the School Corporation for this year and in future years. Information regarding the benefit 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.

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WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 3,767	\$ 1,062,842	\$ 204,702	\$ 161,170	\$ 255,886	\$ 346,828	\$ 75,043	\$ 1,570,643	\$ (72,041)
Receipts:									
Local sources	27,166	1,605,232	166,209	197,550	1,113,726	732,121	-	-	116,395
Intermediate sources	189	-	-	-	-	-	-	-	-
State sources	5,005,211	-	-	-	-	-	-	-	2,823
Federal sources	-	30,392	-	-	-	-	-	-	221,627
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,032,566	1,635,624	166,209	197,550	1,113,726	732,121	-	-	340,845
Disbursements:									
Instruction	3,100,376	1,005,770	-	-	-	4,082	-	-	-
Support services	1,485,607	686,121	12,084	-	449,255	610,466	-	-	381
Noninstructional services	77,584	30,819	-	-	-	-	-	-	373,283
Facilities acquisition and construction	1,579	193,185	-	-	381,018	-	-	-	-
Debt service	-	-	160,000	280,706	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,665,146	1,915,895	172,084	280,706	830,273	614,548	-	-	373,664
Excess (deficiency) of receipts over disbursements	367,420	(280,271)	(5,875)	(83,156)	283,453	117,573	-	-	(32,819)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	330,000	-	-	-	-	-	350,043	-
Transfers out	(330,000)	-	-	-	(150,000)	(125,000)	(75,043)	-	-
Total other financing sources (uses)	(330,000)	330,000	-	-	(150,000)	(125,000)	(75,043)	350,043	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	37,420	49,729	(5,875)	(83,156)	133,453	(7,427)	(75,043)	350,043	(32,819)
Cash and investments - ending	\$ 41,187	\$ 1,112,571	\$ 198,827	\$ 78,014	\$ 389,339	\$ 339,401	\$ -	\$ 1,920,686	\$ (104,860)

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Textbook Rental	Repair and Replacement	Self- Insurance	Child Care Program	Early Learning Indiana	Educational License Plates	Lily Counseling Planning Grant	REMC Grant	Rowe Fund
Cash and investments - beginning	\$ 63,554	\$ 135,621	\$ -	\$ 4,009	\$ -	\$ 878	\$ -	\$ -	\$ 173
Receipts:									
Local sources	136,396	52,980	-	42,131	-	-	30,000	-	150
Intermediate sources	-	-	-	-	-	206	-	-	-
State sources	31,750	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	168,146	52,980	-	42,131	-	206	30,000	-	150
Disbursements:									
Instruction	172,616	-	-	72,025	-	-	-	-	-
Support services	-	65,599	-	264	-	-	17,543	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	172,616	65,599	-	72,289	-	-	17,543	-	-
Excess (deficiency) of receipts over disbursements	(4,470)	(12,619)	-	(30,158)	-	206	12,457	-	150
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,470)	(12,619)	-	(30,158)	-	206	12,457	-	150
Cash and investments - ending	\$ 59,084	\$ 123,002	\$ -	\$ (26,149)	\$ -	\$ 1,084	\$ 12,457	\$ -	\$ 323

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Powers Trip Fund	Philanthropic	Elementary Tobacco Cessation	Donation - Competitive Grant	MSGC Foundation	Adult and Continuing Education	Construction, Remodeling, and Equipping Buildings	Project Lead The Way	Learning To Give
Cash and investments - beginning	\$ 919	\$ 451	\$ 50	\$ -	\$ -	\$ 3,003	\$ -	\$ 8,560	\$ -
Receipts:									
Local sources	-	-	-	-	-	4,679	-	330	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	1,000
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	4,679	-	330	1,000
Disbursements:									
Instruction	-	-	-	-	-	6,213	-	460	411
Support services	-	-	-	-	-	-	-	-	150
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	6,213	-	460	561
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(1,534)	-	(130)	439
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(1,534)	-	(130)	439
Cash and investments - ending	\$ 919	\$ 451	\$ 50	\$ -	\$ -	\$ 1,469	\$ -	\$ 8,430	\$ 439

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Formative Assessment	Instruction Support	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Greene County Consortium
Cash and investments - beginning	\$ -	\$ (23,342)	\$ (59,549)	\$ 75	\$ 4,284	\$ -	\$ -	\$ 9,049
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	10,002	27,688	2,839	-	6,308	4,778	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	10,002	27,688	2,839	-	6,308	4,778	-	-
Disbursements:								
Instruction	41	51,580	-	-	16	-	-	-
Support services	10,002	-	42,628	-	8,350	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,043	51,580	42,628	-	8,366	-	-	-
Excess (deficiency) of receipts over disbursements	(41)	(23,892)	(39,789)	-	(2,058)	4,778	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(41)	(23,892)	(39,789)	-	(2,058)	4,778	-	-
Cash and investments - ending	\$ (41)	\$ (47,234)	\$ (99,338)	\$ 75	\$ 2,226	\$ 4,778	\$ -	\$ 9,049

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Career Fair	Student Council Grant Fund	Ireland Healthy Lifestyle	E Rate	Senator David Ford Technology	Contributions/ Donations - Private Sources	Project Success	Title I 2015-2016
Cash and investments - beginning	\$ 1,800	\$ 1,000	\$ 731	\$ (878)	\$ 948	\$ 7,600	\$ 343	\$ (58,916)
Receipts:								
Local sources	-	-	-	8,953	-	5,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	163,920
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	8,953	-	5,000	-	163,920
Disbursements:								
Instruction	-	-	-	-	-	10,239	-	94,972
Support services	-	-	-	14,457	-	3,200	-	10,032
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	14,457	-	13,439	-	105,004
Excess (deficiency) of receipts over disbursements	-	-	-	(5,504)	-	(8,439)	-	58,916
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(5,504)	-	(8,439)	-	58,916
Cash and investments - ending	\$ 1,800	\$ 1,000	\$ 731	\$ (6,382)	\$ 948	\$ (839)	\$ 343	\$ -

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Title I 2016-2017	Title I 2017-2018	Serve America	Vocational and Technology Board Grants	Enhanced Alternative Education Programs	Other Federal Programs	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ 2,272	\$ 78	\$ (127)	\$ (3,024)	\$ (24,846)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	126,773	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	126,773	-	-	-	-	-	-
Disbursements:							
Instruction	181,000	-	-	-	-	-	40,726
Support services	-	-	-	-	-	-	-
Noninstructional services	6,386	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	187,386	-	-	-	-	-	40,726
Excess (deficiency) of receipts over disbursements	(60,613)	-	-	-	-	-	(40,726)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(60,613)	-	-	-	-	-	(40,726)
Cash and investments - ending	\$ (60,613)	\$ -	\$ 2,272	\$ 78	\$ (127)	\$ (3,024)	\$ (65,572)

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools Achievement	Rural Schools and Low Income Program - Pass Through State	Security Resource Officer	Special Education - Part B	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (168)	\$ 500	\$ (7,850)	\$ (2,821)	\$ 40	\$ 24,396	\$ 3,697,653
Receipts:							
Local sources	-	-	-	-	-	-	4,239,018
Intermediate sources	-	-	-	-	-	-	395
State sources	-	-	-	-	-	-	5,091,399
Federal sources	-	-	-	-	-	-	543,712
Other receipts	-	-	-	-	-	1,973,893	1,973,893
Total receipts	-	-	-	-	-	1,973,893	11,848,417
Disbursements:							
Instruction	-	-	-	-	-	-	4,740,527
Support services	-	-	16,065	-	-	-	3,432,204
Noninstructional services	-	-	-	-	-	-	488,072
Facilities acquisition and construction	-	-	-	-	-	-	575,782
Debt service	-	-	-	-	-	-	440,706
Nonprogrammed charges	-	-	-	-	-	1,634,400	1,634,400
Total disbursements	-	-	16,065	-	-	1,634,400	11,311,691
Excess (deficiency) of receipts over disbursements	-	-	(16,065)	-	-	339,493	536,726
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	680,043
Transfers out	-	-	-	-	-	-	(680,043)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(16,065)	-	-	339,493	536,726
Cash and investments - ending	\$ (168)	\$ 500	\$ (23,915)	\$ (2,821)	\$ 40	\$ 363,889	\$ 4,234,379

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 41,187	\$ 1,112,571	\$ 198,827	\$ 78,014	\$ 389,339	\$ 339,401	\$ -	\$ 1,920,686	\$ (104,860)
Receipts:									
Local sources	57,889	1,634,383	175,210	242,279	1,073,342	789,759	-	-	102,672
Intermediate sources	7,789	-	-	-	-	-	-	-	-
State sources	5,271,758	22,922	-	-	-	-	-	-	2,553
Federal sources	-	-	-	-	-	-	-	-	235,569
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,337,436	1,657,305	175,210	242,279	1,073,342	789,759	-	-	340,794
Disbursements:									
Instruction	3,434,530	998,436	-	-	-	8,840	-	-	-
Support services	1,634,636	517,318	5,469	-	423,712	605,860	-	-	-
Noninstructional services	105,147	25,604	-	-	-	-	-	-	310,903
Facilities acquisition and construction	-	5,742	-	-	566,203	1,313	-	-	1,600
Debt service	-	-	160,000	281,621	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,174,313	1,547,100	165,469	281,621	989,915	616,013	-	-	312,503
Excess (deficiency) of receipts over disbursements	163,123	110,205	9,741	(39,342)	83,427	173,746	-	-	28,291
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	3,500	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	3,500	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	163,123	110,205	9,741	(39,342)	83,427	177,246	-	-	28,291
Cash and investments - ending	\$ 204,310	\$ 1,222,776	\$ 208,568	\$ 38,672	\$ 472,766	\$ 516,647	\$ -	\$ 1,920,686	\$ (76,569)

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Textbook Rental	Repair and Replacement	Self- Insurance	Child Care Program	Early Learning Indiana	Educational License Plates	Lily Counseling Planning Grant	REMC Grant	Rowe Fund
Cash and investments - beginning	\$ 59,084	\$ 123,002	\$ -	\$ (26,149)	\$ -	\$ 1,084	\$ 12,457	\$ -	\$ 323
Receipts:									
Local sources	66,162	-	672,163	66,204	-	-	-	1,000	200
Intermediate sources	-	-	-	-	-	262	-	-	-
State sources	29,117	-	-	-	1,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	15,644	-	-	-	-	-	-	-
Total receipts	95,279	15,644	672,163	66,204	1,000	262	-	1,000	200
Disbursements:									
Instruction	54,807	-	-	87,076	-	-	-	-	-
Support services	12,651	68,566	-	-	-	-	11,175	1,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	67,458	68,566	-	87,076	-	-	11,175	1,000	-
Excess (deficiency) of receipts over disbursements	27,821	(52,922)	672,163	(20,872)	1,000	262	(11,175)	-	200
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,821	(52,922)	672,163	(20,872)	1,000	262	(11,175)	-	200
Cash and investments - ending	\$ 86,905	\$ 70,080	\$ 672,163	\$ (47,021)	\$ 1,000	\$ 1,346	\$ 1,282	\$ -	\$ 523

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Powers Trip Fund	Philanthropic	Elementary Tobacco Cessation	Donation - Competitive Grant	MSGC Foundation	Adult and Continuing Education	Construction, Remodeling, and Equipping Buildings	Project Lead The Way	Learning To Give
Cash and investments - beginning	\$ 919	\$ 451	\$ 50	\$ -	\$ -	\$ 1,469	\$ -	\$ 8,430	\$ 439
Receipts:									
Local sources	625	1,386	-	20,100	1,000	18,853	-	-	-
Intermediate sources	-	-	-	-	-	-	18,054	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	250
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	625	1,386	-	20,100	1,000	18,853	18,054	-	250
Disbursements:									
Instruction	-	1,006	50	1,012	-	7,348	-	7,043	272
Support services	-	-	-	43	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	19,045	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,006	50	20,100	-	7,348	-	7,043	272
Excess (deficiency) of receipts over disbursements	625	380	(50)	-	1,000	11,505	18,054	(7,043)	(22)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	475	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	475	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	625	380	(50)	-	1,000	11,980	18,054	(7,043)	(22)
Cash and investments - ending	\$ 1,544	\$ 831	\$ -	\$ -	\$ 1,000	\$ 13,449	\$ 18,054	\$ 1,387	\$ 417

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Formative Assessment	Instruction Support	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Greene County Consortium
Cash and investments - beginning	\$ (41)	\$ (47,234)	\$ (99,338)	\$ 75	\$ 2,226	\$ 4,778	\$ -	\$ 9,049
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	9,232	27,440	-	-	7,770	-	4,508	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	9,232	27,440	-	-	7,770	-	4,508	-
Disbursements:								
Instruction	-	32,882	-	75	(14)	-	-	-
Support services	7,161	2,580	51,673	-	5,144	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	7,161	35,462	51,673	75	5,130	-	-	-
Excess (deficiency) of receipts over disbursements	2,071	(8,022)	(51,673)	(75)	2,640	-	4,508	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,071	(8,022)	(51,673)	(75)	2,640	-	4,508	-
Cash and investments - ending	\$ 2,030	\$ (55,256)	\$ (151,011)	\$ -	\$ 4,866	\$ 4,778	\$ 4,508	\$ 9,049

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Career Fair	Student Council Grant Fund	Ireland Healthy Lifestyle	E Rate	Senator David Ford Technology	Contributions/ Donations - Private Sources	Project Success	Title I 2015-2016
Cash and investments - beginning	\$ 1,800	\$ 1,000	\$ 731	\$ (6,382)	\$ 948	\$ (839)	\$ 343	\$ -
Receipts:								
Local sources	-	-	-	29,463	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	29,463	-	-	-	-
Disbursements:								
Instruction	-	-	731	-	-	-	343	-
Support services	-	-	-	1,560	-	5,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	731	1,560	-	5,000	343	-
Excess (deficiency) of receipts over disbursements	-	-	(731)	27,903	-	(5,000)	(343)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(731)	27,903	-	(5,000)	(343)	-
Cash and investments - ending	\$ 1,800	\$ 1,000	\$ -	\$ 21,521	\$ 948	\$ (5,839)	\$ -	\$ -

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Title I 2016-2017	Title I 2017-2018	Serve America	Vocational and Technology Board Grants	Enhanced Alternative Education Programs	Other Federal Programs	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ (60,613)	\$ -	\$ 2,272	\$ 78	\$ (127)	\$ (3,024)	\$ (65,572)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	152,066	168,337	-	-	-	-	32,592
Other receipts	-	-	-	-	-	-	-
Total receipts	152,066	168,337	-	-	-	-	32,592
Disbursements:							
Instruction	79,099	175,392	2,025	76	-	-	16,406
Support services	9,452	9,572	-	-	-	-	-
Noninstructional services	2,902	2,544	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	91,453	187,508	2,025	76	-	-	16,406
Excess (deficiency) of receipts over disbursements	60,613	(19,171)	(2,025)	(76)	-	-	16,186
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	60,613	(19,171)	(2,025)	(76)	-	-	16,186
Cash and investments - ending	\$ -	\$ (19,171)	\$ 247	\$ 2	\$ (127)	\$ (3,024)	\$ (49,386)

WHITE RIVER VALLEY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools Achievement	Rural Schools and Low Income Program - Pass Through State	Security Resource Officer	Special Education - Part B	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (168)	\$ 500	\$ (23,915)	\$ (2,821)	\$ 40	\$ 363,889	\$ 4,234,379
Receipts:							
Local sources	-	-	-	-	-	-	4,952,690
Intermediate sources	-	-	-	-	-	-	26,105
State sources	-	-	-	-	-	-	5,376,300
Federal sources	-	-	16,284	-	-	-	605,098
Other receipts	-	-	-	-	-	1,562,922	1,578,566
Total receipts	-	-	16,284	-	-	1,562,922	12,538,759
Disbursements:							
Instruction	-	-	-	-	-	-	4,907,435
Support services	-	-	10,102	-	-	-	3,382,674
Noninstructional services	-	-	-	-	-	-	447,100
Facilities acquisition and construction	-	-	-	-	-	-	593,903
Debt service	-	-	-	-	-	-	441,621
Nonprogrammed charges	-	-	-	-	-	1,902,083	1,902,083
Total disbursements	-	-	10,102	-	-	1,902,083	11,674,816
Excess (deficiency) of receipts over disbursements	-	-	6,182	-	-	(339,161)	863,943
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	3,975
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	3,975
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,182	-	-	(339,161)	867,918
Cash and investments - ending	\$ (168)	\$ 500	\$ (17,733)	\$ (2,821)	\$ 40	\$ 24,728	\$ 5,102,297

WHITE RIVER VALLEY SCHOOL DISTRICT
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
White River Valley School Building Corporation Hoosier Business Machines	Qualified School Construction Bond, Series 2009 Copier Lease	\$ 160,000 <u>9,504</u>	7/1/2010 3/10/2016	1/1/2025 3/10/2021
Total of annual lease payments		<u>\$ 169,504</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement/Severance Bonds	\$ 690,000	\$ 283,869
Total governmental activities		<u>690,000</u>	<u>283,869</u>
Totals		<u>\$ 690,000</u>	<u>\$ 283,869</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE WHITE RIVER VALLEY SCHOOL
DISTRICT, GREENE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2018-004 and 2018-005 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Program Income, Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Verification of Free and Reduced Price Meal Applications (NSLP). Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

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

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in item 2018-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Title I Grants to Local Educational Agencies regarding Eligibility. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 Child Nutrition Cluster for the period of July 1, 2016 to June 30, 2018.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, 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 Title I Grants to Local Educational Agencies for the period of July 1, 2016 to June 30, 2018.

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 2018-003, 2018-007, and 2018-008.

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


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

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 2018-002, 2018-003, 2018-004, 2018-005, 2018-006, 2018-007, 2018-008, and 2018-009, that we consider to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

April 8, 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.

WHITE RIVER VALLEY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2017	\$ -	\$ 48,237	\$ -	\$ -
School Breakfast Program			FY 2018	-	-	-	51,958
School Breakfast Program							
Total - School Breakfast Program				-	48,237	-	51,958
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555	FY 2017	-	173,390	-	-
School Lunch Program			FY 2018	-	-	-	183,611
Commodities			FY 2017	-	26,854	-	-
Total - National School Lunch Program				-	200,244	-	183,611
Total - Child Nutrition Cluster				-	248,481	-	235,569
Total - Department of Agriculture				-	248,481	-	235,569
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Special Education Grant 2015	Indiana Department of Education	84.027	14215-024-PN01	-	13,895	-	-
Special Education Grant 2016			14216-022-PN01	-	43,202	-	11,189
Special Education Grant 2017			14217-022-PN01	-	158,344	-	39,607
Special Education Grant 2018			18611-022-PN01	-	-	-	174,317
Total - Special Education Grants to States				-	215,441	-	225,113

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Special Education Preschool Grants	Indiana Department of Education	84.173					
Pre-School 2014-15			45715-024-PN01	-	371	-	-
Pre-School 2015-16			45716-022-PN01	-	4,445	-	1,752
Pre-School 2016-17			45717-022-PN01	-	3,313	-	6,738
Pre-School 2017-18			18619-022-PN01	-	-	-	1,463
Total - Special Education Preschool Grants				-	8,129	-	9,953
Total - Special Education Cluster (IDEA)				-	223,570	-	235,066
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2015-16			16-2980	-	163,920	-	-
Title I 2016-17			17-2980	-	126,773	-	152,066
Title I 2017-18			18-2980	-	-	-	168,337
Total - Title I Grants to Local Educational Agencies				-	290,693	-	320,403
Rural Education	Indiana Department of Education	84.358					
Rural & Low Income			15-2980	-	-	-	16,284
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			15-2980	-	-	-	32,592
Total - Department of Education				-	514,263	-	604,345
Total federal awards expended				\$ -	\$ 762,744	\$ -	\$ 839,914

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

WHITE RIVER VALLEY SCHOOL DISTRICT
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.

Note 3. Greene-Sullivan Special Education Cooperative

The School Corporation is a member of the Greene-Sullivan Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

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

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

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

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 report. 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).

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster commodities were underreported by \$18,942 for fiscal year 2016-2017.
2. The Special Education Cluster (IDEA) was underreported in 2016-2017 and 2017-2018 by \$3,558 and \$50,763, respectively.

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. . . ."

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:

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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*.

Recommendation

We recommended that the Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-002

Subject: Child Nutrition Cluster - Cash Management, Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-012.

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 following compliance requirements:

Cash Management

The School Corporation had not designed or implemented an adequate system of internal controls to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to three months average expenditures. There was no oversight, review, or monitoring of the net cash resources of the School Lunch fund.

Reporting

Monthly Sponsor Claims (claim for reimbursement), Annual Financial Reports, and School Food Authority (SFA) Verification Collection Reports were completed by one individual without any oversight, review, or approval process to ensure their accuracy.

Context

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

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not established and implemented an effective system of internal controls that would have ensured compliance with the grant agreement and the Cash Management and Reporting 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 Cash Management and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Cash Management and Reporting 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 2018-003

Subject: Title I Grants to Local Educational Agencies, Child Nutrition
Cluster - Procurement and Suspension and Debarment

Federal Agencies: Department of Education, Department of Agriculture

Federal Programs: Title I Grants to Local Educational Agencies, School Breakfast
Program, National School Lunch Program

CFDA Numbers: 84.010, 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): 16-2980, 17-2980, 18-2980,
FY 2017, FY 2018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Repeat Finding

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

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. An effective internal control system was not in place at the School Corporation in order to ensure that the purchasing methods used complied with applicable federal, state, and local requirements.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation complied with its own purchasing policy, which required the Superintendent of Schools to obtain three price or rate quotations for purchases over \$10,000; however, the policy does not follow the more restrictive state guidelines.

Child Nutrition Cluster

The School Corporation did not obtain price or rate quotations when procuring goods from vendors when required. Contracts and bids were not obtained for one vendor in fiscal year 2016-2017 who was paid more than \$50,000 from the School Corporation.

Title I Grants to Local Educational Agencies

Price or rate quotations were not obtained for a Title I procurement made from one vendor before purchasing \$9,250 of computers during 2017-2018. The School Corporation did not document the rationale for the method of procurement when a noncompetitive proposal method was used.

Additionally, there were no procedures in place to verify suspension and debarment before entering into a covered transaction with a vendor. The School Corporation expended over \$25,000 to one vendor without verification that they were not suspended or debarred from participation in federal programs.

Context

This was a systemic issue during 2016-2017. Small purchase procedures were not followed for any vendors in that category that spent over \$50,000 during a year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318 states in part:

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

- (i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.320 states in part:

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

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

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

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason. . . ."

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 180.300 states:

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

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

Cause

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

Effect

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement to occur and remain undetected.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2018-004

Subject: Child Nutrition Cluster - Program Income, Special Tests and Provisions - School Food Accounts
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Program Income, Special Tests and Provisions - School Food Accounts
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit period. The prior audit finding number was 2016-011.

WHITE RIVER VALLEY SCHOOL DISTRICT
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 Program Income and Special Tests and Provisions - School Food Accounts compliance requirements.

Receipts for prepaid meals were posted directly to the School Lunch fund (Fund 800), rather than to a Prepaid Meals clearing fund (Fund 8400). There were no periodic transfers made that would have identified when meals were served and charged to the prepaid accounts. It could not be determined whether program monies were correctly determined, recorded, and used in accordance with the program requirements for either year of the audit period.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Program Income and Special Tests and Provisions - School Food Accounts compliance requirement.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(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: . . .

(1)

(i) Maintain a nonprofit school food service;

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(ii) In accordance with the financial management system established under § 220.13(i) of this part, use all revenues received by such food service only for the operation or improvement of that food service Except that, facilities, equipment, and personnel support with funds provided to a school food authority under this part may be used to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); . . .

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

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

7 CFR 210.14(a) states in part:

"Nonprofit school food service. School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, except that, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. School food authorities may use facilities, equipment, and personnel supported with nonprofit school food revenues to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.). . . ."

2 CFR 200.302(b) states in part:

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

(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

2 CFR 200.333 states in part:

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and that adequate supporting documentation was maintained and made available for audit for the Program Income and Special Tests and Provisions - School Food Accounts compliance requirements.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish a system of internal controls that would have ensured that program income and Special Tests and Provisions - School Food Accounts were properly identified prevented the determination of the School Corporation's compliance with the Program Income and Special Tests and Provisions - School Food Accounts compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish a system of internal controls to ensure compliance with the grant agreement and that adequate supporting documentation is maintained and made available for audit for the Program Income and Special Tests and Provisions - School Food Accounts 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 - Special Tests and Provisions - Verification
of Free and Reduced Price Applications (NSLP)
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017, FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Verification of Free
and Reduced Price Applications (NSLP)
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-013.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure that the verification of free and reduced price applications was completed and that the supporting documentation of the verification process was retained and available for audit. There was no segregation of duties, such as an oversight, review, or approval process.

The School Food Authority (SFA) Verification Collection Reports for the audit period indicated that three applications were to be verified for fiscal year 2016-2017; however, documentation supporting the process and which applications were examined was not available for audit. Additionally, documentation indicating what actions were taken as a result of the verifications was not available.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.15(b) states in part:

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

- (4) Currently approved and denied certification documentation for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title . . ."

7 CFR 245.11(c) states in part:

"*Local educational agency requirements.* Beginning July 1, 2014, and each July 1 thereafter, local educational agencies selected by the State agency to conduct a second review of applications must ensure that the initial eligibility determination for each application is reviewed for accuracy prior to notifying the household of the eligibility or ineligibility of the household for free and reduced price meals. The second review must be conducted by an individual or entity who did not make the initial determination. This individual or entity is not required to be an employee of the local educational agency but must be trained on how to make application determinations. All individuals or entities who conduct a second review of applications are subject to the disclosure requirements set forth in § 245.6(f) through (k). . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.333 states in part:

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

Cause

Management of the School Corporation had not developed a system of internal controls to ensure compliance with the grant agreement and that adequate supporting documentation was maintained and made available for audit for the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and that adequate supporting documentation is maintained and made available for audit for the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Views of Responsible Officials

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

FINDING 2018-006

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-2980, 17-2980, 18-2980
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-006.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation's management had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement.

The Treasurer had the sole responsibility for preparing and submitting the Requests for Reimbursement. There was no segregation of duties such as an oversight, review, or approval process to ensure the Requests for Reimbursement were complete and accurate.

Context

The lack of controls was a systemic issue, 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). . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2018-007

Subject: Title I Grants to Local Educational Agencies - Cash Management
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-2980, 17-2980, 18-2980
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-006.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement. The Treasurer had the sole responsibility of preparing and submitting the Requests for Reimbursement. There was no segregation of duties such as an oversight, review, or approval process to ensure the Requests for Reimbursement were complete and accurate.

The School Corporation submitted a Request for Reimbursement, which included amounts for future payroll expenditures and the purchase of equipment, supplies, and subscriptions, which had not been incurred at the time of the request.

Context

The lack of controls and noncompliance were systemic 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). . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Cash Management compliance requirement.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Cash Management compliance requirement. A lack of segregation of duties within an internal control system allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

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

FINDING 2018-008

Subject: Title I Grants to Local Educational Agencies - Activities
Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-2980, 17-2980, 18-2980
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-003.

Condition

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

During both years of the audit period, the School Corporation paid a portion of the Elementary School Principal's salary from Title I funds for duties as the Title I Director. The funds were paid to the Principal as a stipend in addition to their contract, with no addendum. Documentation was not provided to support the Principal's salary and benefits charged to the Title I program. The salary and benefits paid from the Title I program in fiscal year 2017-2018 was \$18,904. Additionally, the School Corporation paid \$1,550 in entertainment and meal expenses for family fun nights from Title I funding. Meal and entertainment expenses are unallowable costs and unallowable activities.

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of internal 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 200.403 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. . . ."

Title I Fiscal Handbook 2015-2016 states in part:

"PAYMENT FOR ADMINISTRATIVE SALARIES

Salaries of superintendents, assistant superintendents, treasurers and 12 month/full-time principals and assistant principals are normally paid from general funds of the school corporation. Typically, these positions are covered by 12 month yearly contracts and cannot be reimbursed by Title I funds. Reimbursement for Title I services by these staff positions may be recouped by claiming Indirect Cost Expense based on the Indirect Cost Formula. The duties a principal takes on to serve as Title I Program Administrator may be additional to a principal's responsibilities, however, this situation presents a programmatic issue because IDOE questions whether an individual performing the duties of a full-time principal can also effectively carry out Title I administrative duties such as SWP, School Improvement, Parent Involvement, Non-public School Consultation, and Evaluation of Programs. Many of these activities need to be carried out during the day. Principals may receive payment for Title I work if it is outside of their contract. . . ."

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.430(i) states in part:

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

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

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to remain undetected. Noncompliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Questioned costs of \$20,454 were identified, as described in the *Condition*.

Recommendation

We recommended that the School Corporation's management design and implement a system of internal controls to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Views of Responsible Officials

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

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2018-009

Subject: Title I Grants to Local Educational Agencies - Eligibility
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-2980, 17-2980, 18-2980
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-006

Condition

The School Corporation's management had not established an effective internal control system related to the grant agreement and the Eligibility compliance requirement.

The Title I Director had the sole responsibility for preparing and submitting the grant applications. There was no segregation of duties such as an oversight, review, or approval process to ensure the applications were complete and accurate. The supporting documentation for the eligibility summary included in the grant applications for fiscal years 2016-2017 and 2017-2018 was not retained or presented for audit.

Context

The lack of controls was a systemic issue throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

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). . . ."

34 CFR 200.78(a)(1) states:

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

WHITE RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.333 states in part:

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

Cause

Management of the School Corporation had not developed a system of internal controls to ensure compliance with the grant agreement and that adequate supporting documentation was maintained and made available for audit for the Eligibility compliance requirement.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and that adequate supporting documentation is maintained and made available for audit for the Eligibility compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

WHITE RIVER VALLEY SCHOOL DISTRICT

Dr. Robert M. Hacker, Superintendent	“Home of the Wolverines”	Board of Education
Mrs. Jayne Kaho, Co-Treasurer	5644 W State Road 54	Mr. David Reed, President
Mrs. Michelle Emmons Co-Treasurer	PO Box 1470	Mr. Joseph Decker, VP
	Switz City, IN 47465	Mr. Andy Davis, Secretary
		Mr. Jason Davidson
		Mr. Brock Hostetter
		Mr. Roger Shake
		Mr. Bruce Porter

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: FY 2013

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jayne Kaho

Contact Phone: 812 659-1424

Status of Audit Finding: Ongoing - The Superintendent will review the SEFA report before submitting the report. Corrected in school year 2018/19.

FINDING 2016-002

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator;

Renee Wiggington, Food Service Director

Contact Phone Number: 1 812-875-3839

Status of Audit Finding: Ongoing - Corrected in school year 2018/19

FINDING 2016-003

Fiscal year in which the finding initially occurred: FY 2013

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator

Contact Phone Number: 812 875-3830

Status of Audit Finding: Ongoing - Corrected starting July 2018

FINDING 2016-004

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Claudia Walker, Special Ed;

Jill Staggs, Title I Director

Contact Phone Number: 812 847-8497

Status of Audit Finding: Ongoing - Corrected beginning 2018/19 school year.

FINDING 2016-005

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator

Contact Phone Number: 812 875-3839

Status of Audit Finding: Corrected

FINDING 2016-006

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator

Contact Phone Number: 812 875-3839

Status of Finding: Ongoing - Superintendent reviews and signs cash requests.

Corrected in school year 2018/19

FINDING 2016-007

Fiscal year in which the finding initially occurred: FY 2013

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator;
Claudia Walker, Special Ed.

Contact Phone Number: 812 875-3839

Status of Finding: Ongoing - A folder is maintained with correct information.

Corrected in school year 2018/19

FINDING 2016-008

Fiscal year in which the finding initially occurred: FY 2015

Pass-through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jayne Kaho, Treasurer

Contact Phone Number: 812 659-1424

Status of Audit Finding: Ongoing - The Superintendent is reviewing the information at the monthly meeting with Greene Sullivan Special Education Co – op. Corrected in school year 2018/19

FINDING 2016-009

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jayne Kaho, Treasurer

Contact Phone Number: 812 659-1424

Status of Audit Finding: Ongoing - The board members (superintendents) review the information monthly at their board meetings. Corrected in school year 2018/19

FINDING 2016-010

Fiscal year in which the finding initially occurred: FY 2013

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jayne Kaho, Treasurer

Contact Phone Number: 812 659-1424

Status of Audit Finding: Ongoing - Corrected in school year 2018/19

FINDING 2016-011

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jayne Kaho, Treasurer

Contact Phone Number: 812 659-1424

Status of Audit Finding: Ongoing - Fund 8400 was established for pre-paid lunch monies. Corrected in school year 2018/19

FINDING 2016-012

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jayne Kaho, Renee Wiggington

Contact Phone Number: 812 659-1424

Status of Audit Finding: Ongoing - The superintendent reviews the reimbursements requests before sending them in. Corrected in school year 2018/19.

FINDING 2016-013

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Renee Wiggington

Contact Phone Number: 812 659-2274

Status of Audit Finding: Ongoing - Verification documentation is kept on file with the food service director and reviewed by the superintendent. Corrected in school year 2018/19.

WHITE RIVER VALLEY SCHOOL DISTRICT

"Home of the Wolverines"

Mr. Robert M. Hacker, Superintendent
Mrs. Jayne Kaho, Treasurer
Mrs. Michelle Emmons, Payroll

5644 West State Road 54
PO Box 1470
Switz City, Indiana 47465

Board of Education
Mr. David Reed, President
Mr. Joe Decker, VP
Mr. Andy Davis, Secretary
Mr. Jason Davidson
Mr. Brock Hostetter
Mr. Roger Shake
Mr. Bruce Porter

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Jayne Kaho

Contact Phone: 812 659-1424

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Audit adjustments were proposed by SBOA and the adjustments were made to SEFA. The superintendent will review the report before being submitted.

Anticipated Completion Date: Adjustments already made beginning with the 2018/19 school year.

FINDING 2018-002

Contact Person Responsible for Corrective Action: Jayne Kaho, Renee Wiggington

Contact Phone Number: 812 659-1424

Views of Responsible Official: We concur with the finding.

Description of Corrective Plan:

The corporation treasurer will monitor the expenditures in the cafeteria to comply with the three month average spending. The superintendent will review

the monthly reimbursement before being sent for reimbursement and will review the School Food Authority Verification Collection Reports before being submitted. The treasurer will review the Annual Financial Report.

Anticipated Completion Date: Corrected in School Year 2018/19.

FINDING 2018-003

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator

Michelle Emmons, Co-Treasurer

Contact Phone Number: 812 875-3830

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

School Corporation management will establish controls to ensure compliance and will comply with the procurement compliance requirement. The School Corporation's procurement policy will be reviewed by administration. An individual will obtain quotes for large purchases and a second individual will sign off on the quotes and the quotes will be kept on file as documentation.

Anticipated Completion Date: Corrected in School Year 2018/19.

FINDING 2018-004

Contact Person Responsible for Corrective Action: Jayne Kaho, Renee Wiggington

Contact Phone Number: 812-659-1424

View of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Lunch money receipts will be deposited into Fund 8400. The Food Service Coordinator will give the Corporation Treasurer the amount of receipts each month that should be transferred from Fund 8400 to Fund 800 by compiling data on daily line reports of the amount to be transferred out of the prepaid lunch monies.

Anticipated Completion Date: Started in school year 2018/19.

FINDING 2018-005

Contact Person Responsible for Corrective Action: Renee Wiggington

Contact Phone Number: 812-659-2274

Views of Responsible Official: We concur with the finding

The ECA Treasurer at each building will process the Free & Reduced Lunch Applications for his/her building. The Food Service Coordinator will review the applications for errors and verify the required applications. Applications that are pulled for verification will be retained separately from the non-verified applications, and all correspondence with household pertaining to verification will be filed and recorded with the application.

Anticipated Completion Date: Started in school year 2018/19

FINDING 2018-006

Contact Person Responsible for Corrective Action: Jayne Kaho

Contact Phone Number: 812-659-1424

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

School Corporation management will establish effective internal controls. The treasurer will prepare the Requests for Reimbursement. The Superintendent will review the requests and sign them before submitting for reimbursement.

Anticipated Completion Date: Started in school year 2018/19

FINDING 2018-007

Contact Person Responsible for Corrective Action: Jayne Kaho

Contact Phone Number: 812-659-1424

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

School Corporation management will improve internal controls to ensure compliance with the grant agreement and cash management compliance. The Treasurer will prepare the Requests for Reimbursement and the Superintendent will review the Requests before submitting the Requests.

Anticipated Completion Date: Started school year 2018/19

FINDING 2018.-008

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Director

Contact Phone Number: 812-875-3839

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

School Corporation management will improve internal controls to ensure compliance with the grant agreement and the compliance requirement for Allowable costs/Cost Principles and Allowable Activities. The Principal's salary is

paid on an eleven month contract and the twelfth month she is paid for her Title I Director duties on a separate contract. The entertainment and meals will be reworked to comply with the allowable costs and activities

Anticipated Completion Date: Starting in school year 2019/20.

2018-009

Contact Person Responsible for Corrective Action: Jill Staggs, Title I Administrator

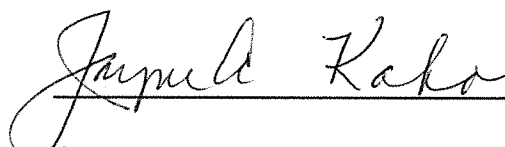
Contact Phone Number: 812-875-3839

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The School Corporation will establish an effective internal control system related to the grant agreement and Eligibility compliance requirement. School Corporation management will retain proper documentation to prove compliance.

Anticipated Completion Date: Starting in school year 2018/19.


Corporation Treasurer

March 26, 2019

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/>.