

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
JEFFERSON COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
06/11/2019

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|----------------------------|----------------------|
| Treasurer | Laura Boldery | 01-01-16 to 12-31-19 |
| Superintendent of Schools | Trevor Jones | 07-01-16 to 01-31-19 |
| | Jeffrey L. Bates (interim) | 02-01-19 to 06-30-19 |
| President of the School Board | Jodi Gray | 01-01-16 to 12-31-17 |
| | John Jones | 01-01-18 to 12-31-18 |
| | Rick P. Stockdale | 01-01-19 to 12-31-19 |



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED
SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Southwestern Jefferson County Consolidated School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, 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 May 16, 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

May 16, 2019



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

TO: THE OFFICIALS OF THE SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED
SCHOOL CORPORATION, JEFFERSON 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 Southwestern Jefferson County Consolidated School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated May 16, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002, that we consider to be material weaknesses.

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

Compliance and Other Matters

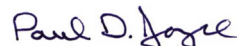
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002.

Southwestern Jefferson County Consolidated School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 16, 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.

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

| Fund | Cash and Investments 07-01-16 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-17 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-18 |
|--|-------------------------------------|--------------|---------------|--------------------------------------|-------------------------------------|--------------|---------------|--------------------------------------|-------------------------------------|
| General | \$ 734,806 | \$ 9,147,607 | \$ 10,112,736 | \$ 459,623 | \$ 229,300 | \$ 9,565,415 | \$ 9,606,047 | \$ 39,750 | \$ 228,418 |
| Debt Service | 189,322 | 661,486 | 558,214 | - | 292,594 | 657,841 | 618,470 | - | 331,965 |
| Retirement/Severance Bond Debt Service | 87,427 | 157,636 | 153,574 | - | 91,489 | 159,323 | 154,894 | - | 95,918 |
| Capital Projects | 136,030 | 1,700,768 | 1,545,091 | (1,344) | 290,363 | 1,021,711 | 1,059,120 | 27,646 | 280,600 |
| School Transportation | 1,492,615 | 1,222,762 | 1,089,960 | 1,792 | 1,627,209 | 1,583,212 | 1,425,606 | (251,087) | 1,533,728 |
| School Bus Replacement | 129,040 | 245,188 | 223,109 | - | 151,119 | 278,825 | 286,837 | - | 143,107 |
| Rainy Day | 1,000,000 | 750,000 | 750,000 | (400,000) | 600,000 | - | 466,037 | 264,662 | 398,625 |
| Retirement/Severance Bond | 103,833 | - | - | - | 103,833 | - | - | - | 103,833 |
| Construction | - | 90,277 | 18,622 | - | 71,655 | 29,715 | 44,742 | 6,793 | 63,421 |
| School Lunch | 310,172 | 758,137 | 835,150 | (100,000) | 133,159 | 750,564 | 799,414 | 1,000 | 85,309 |
| Textbook Rental | 167,033 | 165,763 | 102,679 | (590) | 229,527 | 139,005 | 46,412 | - | 322,120 |
| Educational License Plates | 570 | 188 | - | - | 758 | 150 | - | - | 908 |
| 5th Grade Mammoth Cave Trip | 700 | - | - | - | 700 | - | 700 | - | - |
| PSI Iota Xi Sorority Music Gift | 350 | - | - | - | 350 | - | - | 600 | 950 |
| Donation Fund: Various Awards | - | 3,278 | 2,414 | 142 | 1,006 | 2,691 | 5,132 | 2,860 | 1,425 |
| ISTEP | 570 | - | - | - | 570 | - | 570 | - | - |
| Desk Drawer Dollars Elementary | - | - | - | - | - | 3,572 | 1,706 | - | 1,866 |
| Special Vo-Ag Grounds Work | 247 | - | - | (176) | 71 | - | - | - | 71 |
| WHAS Crusade for Children 2016 | - | 6,071 | 6,106 | 35 | - | - | - | - | - |
| Excess Section 125 | 17,591 | - | - | - | 17,591 | 1,226 | - | - | 18,817 |
| Instructional Support | 258 | - | - | - | 258 | - | 258 | - | - |
| Monsanto GT | 24,940 | - | - | - | 24,940 | - | 24,520 | (420) | - |
| Sprint's Fund Grant (Elem) | - | - | - | - | - | 96 | - | - | 96 |
| Dilbert King Foundation | 3,141 | 1,200 | 3,480 | - | 861 | 1,200 | 1,830 | 1,442 | 1,673 |
| Walmart Clothes Closet Gift | 3,490 | - | - | - | 3,490 | - | 591 | - | 2,899 |
| Farmers Growing Communities | 60 | - | - | - | 60 | - | 56 | - | 4 |
| Basketball/Softball Donations | 942 | - | - | - | 942 | - | - | (942) | - |
| Community Calf Project | 17,355 | 7,248 | 6,890 | - | 17,713 | 3,000 | 8,019 | 420 | 13,114 |
| Gleaners Food Pantry | - | 730 | 199 | - | 531 | 7,714 | 7,888 | 200 | 557 |
| Lego Robotics | 1,238 | 2,945 | 948 | - | 3,235 | - | 1,009 | - | 2,226 |
| Kindergarten Registration Fund | 321 | 26 | - | - | 347 | - | 723 | 500 | 124 |
| Coalition Substance Abuse | 1,754 | - | 46 | - | 1,708 | - | - | - | 1,708 |
| PLTW - Expansion of PLTW.STEM PR | - | 32,500 | 30,785 | - | 1,715 | - | 1,706 | (9) | - |
| Preschool Playground Fund Raiser | 104 | - | - | - | 104 | 958 | - | (812) | 250 |
| HS Media Arts Fees | 4,111 | - | - | - | 4,111 | - | 3,908 | - | 203 |
| Walmart Special Ed Gift | 203 | - | - | - | 203 | - | - | - | 203 |
| Walmart Wrestling Gift | 500 | - | - | - | 500 | - | - | (500) | - |

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

| Fund | Cash and Investments 07-01-16 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-17 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-18 |
|--|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|
| CPR Training Instruction | 31 | 240 | - | - | 271 | 40 | 206 | - | 105 |
| Extra-Curricular Activities | 240 | 1,528 | 1,649 | - | 119 | 2,488 | 2,291 | - | 316 |
| Tootsie Roll Gift Special Education Class | 648 | 375 | 416 | - | 607 | 375 | 426 | - | 556 |
| 5th Grade Trips Stephan | 1,044 | - | - | - | 1,044 | - | 420 | - | 624 |
| Scholarships and Awards | 104 | 330 | 330 | - | 104 | - | 104 | - | - |
| Construction, Remodeling, and Equipping Buildings | 10,028 | 5,520 | - | - | 15,548 | 39,560 | - | - | 55,108 |
| Insurance Student Laptops | 17,070 | 7,332 | - | - | 24,402 | 3,022 | 380 | - | 27,044 |
| The NEA Foundation | 500 | - | - | - | 500 | - | - | (500) | - |
| 6th Grade Museum Trip Grant | 424 | 400 | - | - | 824 | - | - | - | 824 |
| Formative Assessment | 2,335 | 14,834 | 14,658 | - | 2,511 | 14,998 | 31,909 | - | (14,400) |
| Computer Consortium/Ed Tech Advance | - | - | - | - | - | 133,300 | 133,300 | - | - |
| Medicaid Reimbursement | 10,564 | 2,031 | - | - | 12,595 | 1,596 | - | - | 14,191 |
| Secured Schools Safety Grant | (30,169) | 68,549 | 51,372 | 51,529 | 38,537 | 17,792 | 15,364 | (40,965) | - |
| School Technology | 15,140 | 53,300 | 16,199 | - | 52,241 | 26,465 | 40,906 | - | 37,800 |
| Career and Technical Performance Grant | - | 10,574 | 4,772 | - | 5,802 | 2,165 | 2,165 | - | 5,802 |
| Performance Based Awards | 1,894 | - | - | - | 1,894 | - | 216 | - | 1,678 |
| Construction Activity Center | 42,954 | - | 39,836 | - | 3,118 | - | - | (3,118) | - |
| High School Construction | 63,069 | 118 | 50,550 | - | 12,637 | - | - | - | 12,637 |
| Excess PTRC Distributions | 12,602 | - | 10,000 | - | 2,602 | - | - | (2,602) | - |
| Title I 2016-2017 | - | 175,949 | 181,501 | (11,811) | (17,363) | 96,793 | 87,473 | 8,043 | - |
| Title I 2014-2015 | (22,377) | 141,173 | 132,357 | 13,561 | - | 135,208 | 157,063 | (8,043) | (29,898) |
| Drug Free Schools | 11,528 | - | - | (11,528) | - | - | - | - | - |
| Medicaid Reimbursement - Federal | 2,921 | - | - | - | 2,921 | - | - | (2,921) | - |
| Improving Teacher Quality, No Child Left, Title II, Part A | - | 5,926 | 4,470 | (1,750) | (294) | 14,860 | 41,109 | 17,014 | (9,529) |
| Title II, Part A, FY14 | - | 3,899 | 4,864 | 965 | - | - | - | - | - |
| Title II, Part A, FY15 | - | - | - | - | - | 41,544 | - | (41,544) | - |
| Title II, Part A, FY 17 | - | - | - | - | - | 29,462 | 15,028 | (14,434) | - |
| Rural Schools and Low Income Program - Pass Through State | (1,737) | 27,866 | 27,500 | 1,371 | - | - | - | - | - |
| Rural Schools FY16 Title VI | - | 551 | 551 | - | - | 19,830 | 20,840 | - | (1,010) |
| Prepaid Food | 4,619 | 197,125 | 197,532 | - | 4,212 | 196,749 | 195,022 | - | 5,939 |
| Payroll Clearing Accounts | - | 2,340,829 | 2,340,829 | - | - | 2,279,909 | 2,279,909 | - | - |
| Totals | \$ 4,572,155 | \$ 18,012,259 | \$ 18,519,389 | \$ 1,819 | \$ 4,066,844 | \$ 17,262,374 | \$ 17,590,326 | \$ 3,033 | \$ 3,741,925 |

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

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

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:

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

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.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. 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 and the reimbursements not being received by year end.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Southwestern Jefferson County 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 fiscal years 2017 and 2018 totaled \$101,000 and \$100,500, respectively.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

The School Corporation has entered into a capital lease with Southwestern Jefferson County Multi-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 fiscal years 2017 and 2018 totaled \$138,000 and \$189,500, respectively.

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OTHER INFORMATION - UNAUDITED

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

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

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

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

| | General | Debt Service | Retirement/ Severance Bond Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Retirement/ Severance Bond |
|---|------------|-----------------|---|---------------------|--------------------------|------------------------------|--------------|----------------------------------|
| Cash and investments - beginning | \$ 734,806 | \$ 189,322 | \$ 87,427 | \$ 136,030 | \$ 1,492,615 | \$ 129,040 | \$ 1,000,000 | \$ 103,833 |
| Receipts: | | | | | | | | |
| Local sources | 189,129 | 661,486 | 157,636 | 1,000,768 | 1,221,762 | 195,188 | - | - |
| Intermediate sources | 40 | - | - | - | - | - | - | - |
| State sources | 8,958,438 | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | 700,000 | - | 50,000 | 750,000 | - |
| Other receipts | - | - | - | - | 1,000 | - | - | - |
| Total receipts | 9,147,607 | 661,486 | 157,636 | 1,700,768 | 1,222,762 | 245,188 | 750,000 | - |
| Disbursements: | | | | | | | | |
| Instruction | 7,060,972 | - | - | - | 1,032 | - | - | - |
| Support services | 2,943,777 | - | - | 196,246 | 1,088,928 | 173,109 | - | - |
| Noninstructional services | 107,987 | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | 648,845 | - | - | - | - |
| Debt service | - | 558,214 | 153,574 | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | 700,000 | - | 50,000 | 750,000 | - |
| Total disbursements | 10,112,736 | 558,214 | 153,574 | 1,545,091 | 1,089,960 | 223,109 | 750,000 | - |
| Excess (deficiency) of receipts over disbursements | (965,129) | 103,272 | 4,062 | 155,677 | 132,802 | 22,079 | - | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | 27 | 1,792 | - | - | - |
| Transfers in | 500,590 | - | - | - | - | - | 100,000 | - |
| Transfers out | (40,967) | - | - | (1,371) | - | - | (500,000) | - |
| Total other financing sources (uses) | 459,623 | - | - | (1,344) | 1,792 | - | (400,000) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (505,506) | 103,272 | 4,062 | 154,333 | 134,594 | 22,079 | (400,000) | - |
| Cash and investments - ending | \$ 229,300 | \$ 292,594 | \$ 91,489 | \$ 290,363 | \$ 1,627,209 | \$ 151,119 | \$ 600,000 | \$ 103,833 |

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

| | Construction | School Lunch | Textbook Rental | Educational License Plates | 5th Grade Mammoth Cave Trip | PSI Iota Xi Sorority Music Gift | Donation Fund: Various Awards | ISTEP |
|---|--------------|--------------|-----------------|----------------------------|-----------------------------|---------------------------------|-------------------------------|--------|
| Cash and investments - beginning | \$ - | \$ 310,172 | \$ 167,033 | \$ 570 | \$ 700 | \$ 350 | \$ - | \$ 570 |
| Receipts: | | | | | | | | |
| Local sources | 74,407 | 256,956 | 106,017 | - | - | - | 3,278 | - |
| Intermediate sources | - | - | - | 188 | - | - | - | - |
| State sources | - | 7,951 | 59,746 | - | - | - | - | - |
| Federal sources | - | 493,230 | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | 15,870 | - | - | - | - | - | - | - |
| Total receipts | 90,277 | 758,137 | 165,763 | 188 | - | - | 3,278 | - |
| Disbursements: | | | | | | | | |
| Instruction | 18,622 | - | - | - | - | - | 1,278 | - |
| Support services | - | 6,732 | 102,679 | - | - | - | 1,136 | - |
| Noninstructional services | - | 789,241 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | 39,177 | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | 18,622 | 835,150 | 102,679 | - | - | - | 2,414 | - |
| Excess (deficiency) of receipts over disbursements | 71,655 | (77,013) | 63,084 | 188 | - | - | 864 | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 142 | - |
| Transfers out | - | (100,000) | (590) | - | - | - | - | - |
| Total other financing sources (uses) | - | (100,000) | (590) | - | - | - | 142 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 71,655 | (177,013) | 62,494 | 188 | - | - | 1,006 | - |
| Cash and investments - ending | \$ 71,655 | \$ 133,159 | \$ 229,527 | \$ 758 | \$ 700 | \$ 350 | \$ 1,006 | \$ 570 |

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

| | Desk Drawer Dollars Elementary | Special Vo-Ag Grounds Work | WHAS Crusade for Children 2016 | Excess Section 125 | Instructional Support | Monsanto GT | Sprint's Fund Grant (Elem) | Dilbert King Foundation |
|---|---|----------------------------------|---|-----------------------|--------------------------|----------------|-------------------------------------|-------------------------------|
| Cash and investments - beginning | \$ - | \$ 247 | \$ - | \$ 17,591 | \$ 258 | \$ 24,940 | \$ - | \$ 3,141 |
| Receipts: | | | | | | | | |
| Local sources | - | - | 6,071 | - | - | - | - | 1,200 |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | - | 6,071 | - | - | - | - | 1,200 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | 6,106 | - | - | - | - | 3,480 |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | 6,106 | - | - | - | - | 3,480 |
| Excess (deficiency) of receipts over disbursements | - | - | (35) | - | - | - | - | (2,280) |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | 35 | - | - | - | - | - |
| Transfers out | - | (176) | - | - | - | - | - | - |
| Total other financing sources (uses) | - | (176) | 35 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (176) | - | - | - | - | - | (2,280) |
| Cash and investments - ending | \$ - | \$ 71 | \$ - | \$ 17,591 | \$ 258 | \$ 24,940 | \$ - | \$ 861 |

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

| | Walmart Clothes Closet Gift | Farmers Growing Communities | Basketball/ Softball Donations | Community Calf Project | Gleaners Food Pantry | Lego Robotics | Kindergarten Registration Fund | Coalition Substance Abuse |
|---|-----------------------------------|-----------------------------------|--------------------------------------|------------------------------|----------------------------|------------------|--------------------------------------|---------------------------------|
| Cash and investments - beginning | \$ 3,490 | \$ 60 | \$ 942 | \$ 17,355 | \$ - | \$ 1,238 | \$ 321 | \$ 1,754 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | 7,248 | 730 | 2,945 | 26 | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | - | - | 7,248 | 730 | 2,945 | 26 | - |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | 6,890 | 199 | 948 | - | 46 |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | 6,890 | 199 | 948 | - | 46 |
| Excess (deficiency) of receipts over disbursements | - | - | - | 358 | 531 | 1,997 | 26 | (46) |
| 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 | - | - | - | 358 | 531 | 1,997 | 26 | (46) |
| Cash and investments - ending | \$ 3,490 | \$ 60 | \$ 942 | \$ 17,713 | \$ 531 | \$ 3,235 | \$ 347 | \$ 1,708 |

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

| | PLTW - Expansion of PLTW STEM PR | Preschool Playground Fund Raiser | HS Media Arts Fees | Walmart Special Ed Gift | Walmart Wrestling Gift | CPR Training Instruction | Extra- Curricular Activities | Tootsie Roll Gift Special Education Class |
|---|--|--|--------------------------|-------------------------------|------------------------------|--------------------------------|------------------------------------|---|
| Cash and investments - beginning | \$ - | \$ 104 | \$ 4,111 | \$ 203 | \$ 500 | \$ 31 | \$ 240 | \$ 648 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | 240 | 1,528 | 375 |
| Intermediate sources | 32,500 | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | 32,500 | - | - | - | - | 240 | 1,528 | 375 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | - | - | 416 |
| Support services | 30,785 | - | - | - | - | - | 1,649 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | 30,785 | - | - | - | - | - | 1,649 | 416 |
| Excess (deficiency) of receipts over disbursements | 1,715 | - | - | - | - | 240 | (121) | (41) |
| 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 | 1,715 | - | - | - | - | 240 | (121) | (41) |
| Cash and investments - ending | \$ 1,715 | \$ 104 | \$ 4,111 | \$ 203 | \$ 500 | \$ 271 | \$ 119 | \$ 607 |

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

| | 5th Grade Trips Stephan | Scholarships and Awards | Construction, Remodeling, and Equipping Buildings | Insurance Student Laptops | The NEA Foundation | 6th Grade Museum Trip Grant | Formative Assessment | Computer Consortium/ Ed Tech Advance |
|---|-------------------------------|-------------------------------|---|---------------------------------|--------------------------|-----------------------------------|-------------------------|---|
| Cash and investments - beginning | \$ 1,044 | \$ 104 | \$ 10,028 | \$ 17,070 | \$ 500 | \$ 424 | \$ 2,335 | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | 330 | 5,520 | 7,332 | - | 400 | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | 14,834 | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | 330 | 5,520 | 7,332 | - | 400 | 14,834 | - |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | - | 14,658 | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | 330 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | - | 330 | - | - | - | - | 14,658 | - |
| Excess (deficiency) of receipts over disbursements | - | - | 5,520 | 7,332 | - | 400 | 176 | - |
| 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 | - | - | 5,520 | 7,332 | - | 400 | 176 | - |
| Cash and investments - ending | \$ 1,044 | \$ 104 | \$ 15,548 | \$ 24,402 | \$ 500 | \$ 824 | \$ 2,511 | \$ - |

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

| | Medicaid Reimbursement | Secured Schools Safety Grant | School Technology | Career and Technical Performance Grant | Performance Based Awards | Construction Activity Center | High School Construction |
|---|---------------------------|---------------------------------------|----------------------|---|--------------------------------|------------------------------------|--------------------------------|
| Cash and investments - beginning | \$ 10,564 | \$ (30,169) | \$ 15,140 | \$ - | \$ 1,894 | \$ 42,954 | \$ 63,069 |
| Receipts: | | | | | | | |
| Local sources | - | 17,729 | - | - | - | - | 118 |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | 2,031 | 50,820 | 10,933 | 10,574 | - | - | - |
| Federal sources | - | - | 42,367 | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | 2,031 | 68,549 | 53,300 | 10,574 | - | - | 118 |
| Disbursements: | | | | | | | |
| Instruction | - | 51,372 | 16,199 | 4,772 | - | - | - |
| Support services | - | - | - | - | - | 9,069 | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | 16,767 | 50,550 |
| Debt service | - | - | - | - | - | 14,000 | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total disbursements | - | 51,372 | 16,199 | 4,772 | - | 39,836 | 50,550 |
| Excess (deficiency) of receipts over disbursements | 2,031 | 17,177 | 37,101 | 5,802 | - | (39,836) | (50,432) |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | 76,529 | - | - | - | - | - |
| Transfers out | - | (25,000) | - | - | - | - | - |
| Total other financing sources (uses) | - | 51,529 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,031 | 68,706 | 37,101 | 5,802 | - | (39,836) | (50,432) |
| Cash and investments - ending | \$ 12,595 | \$ 38,537 | \$ 52,241 | \$ 5,802 | \$ 1,894 | \$ 3,118 | \$ 12,637 |

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

| | Excess PTRC Distributions | Title I 2016-2017 | Title I 2014-2015 | Drug Free Schools | Medicaid Reimbursement - Federal | Improving Teacher Quality, No Child Left, Title II, Part A | Title II, Part A, FY14 |
|---|---------------------------------|----------------------|----------------------|-------------------------|--|---|------------------------------|
| Cash and investments - beginning | \$ 12,602 | \$ - | \$ (22,377) | \$ 11,528 | \$ 2,921 | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | 175,949 | 141,173 | - | - | 5,926 | 3,899 |
| Interfund loans | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | 175,949 | 141,173 | - | - | 5,926 | 3,899 |
| Disbursements: | | | | | | | |
| Instruction | - | 178,170 | 130,717 | - | - | - | - |
| Support services | - | 2,751 | 1,640 | - | - | 4,470 | 4,864 |
| Noninstructional services | - | 580 | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | 10,000 | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total disbursements | 10,000 | 181,501 | 132,357 | - | - | 4,470 | 4,864 |
| Excess (deficiency) of receipts over disbursements | (10,000) | (5,552) | 8,816 | - | - | 1,456 | (965) |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | 1,750 | 13,561 | - | - | - | 965 |
| Transfers out | - | (13,561) | - | (11,528) | - | (1,750) | - |
| Total other financing sources (uses) | - | (11,811) | 13,561 | (11,528) | - | (1,750) | 965 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (10,000) | (17,363) | 22,377 | (11,528) | - | (294) | - |
| Cash and investments - ending | \$ 2,602 | \$ (17,363) | \$ - | \$ - | \$ 2,921 | \$ (294) | \$ - |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

| | Title II, Part A, FY15 | Title II, Part A, FY 17 | Rural Schools and Low Income Program - Pass Through State | Rural Schools FY16 Title VI | Prepaid Food | Payroll Clearing Accounts | Totals |
|---|------------------------------|-------------------------------|--|--------------------------------------|-----------------|---------------------------------|--------------|
| Cash and investments - beginning | \$ - | \$ - | \$ (1,737) | \$ - | \$ 4,619 | \$ - | \$ 4,572,155 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 3,918,419 |
| Intermediate sources | - | - | - | - | - | - | 32,728 |
| State sources | - | - | - | - | - | - | 9,115,327 |
| Federal sources | - | - | 27,866 | 551 | - | - | 890,961 |
| Interfund loans | - | - | - | - | - | - | 1,500,000 |
| Other receipts | - | - | - | - | 197,125 | 2,340,829 | 2,554,824 |
| Total receipts | - | - | 27,866 | 551 | 197,125 | 2,340,829 | 18,012,259 |
| Disbursements: | | | | | | | |
| Instruction | - | - | 2,619 | 551 | - | - | 7,499,047 |
| Support services | - | - | 24,881 | - | - | - | 4,592,716 |
| Noninstructional services | - | - | - | - | - | - | 898,138 |
| Facilities acquisition and construction | - | - | - | - | - | - | 755,339 |
| Debt service | - | - | - | - | - | - | 735,788 |
| Nonprogrammed charges | - | - | - | - | 197,532 | 2,340,829 | 2,538,361 |
| Interfund loans | - | - | - | - | - | - | 1,500,000 |
| Total disbursements | - | - | 27,500 | 551 | 197,532 | 2,340,829 | 18,519,389 |
| Excess (deficiency) of receipts over disbursements | - | - | 366 | - | (407) | - | (507,130) |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | 1,819 |
| Transfers in | - | - | 1,371 | - | - | - | 694,943 |
| Transfers out | - | - | - | - | - | - | (694,943) |
| Total other financing sources (uses) | - | - | 1,371 | - | - | - | 1,819 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | 1,737 | - | (407) | - | (505,311) |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ - | \$ 4,212 | \$ - | \$ 4,066,844 |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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 For the Year Ended June 30, 2018

| | General | Debt Service | Retirement/ Severance Bond Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Retirement/ Severance Bond |
|---|------------|--------------|---|---------------------|--------------------------|------------------------------|--------------|----------------------------------|
| Cash and investments - beginning | \$ 229,300 | \$ 292,594 | \$ 91,489 | \$ 290,363 | \$ 1,627,209 | \$ 151,119 | \$ 600,000 | \$ 103,833 |
| Receipts: | | | | | | | | |
| Local sources | 167,812 | 657,841 | 159,323 | 1,021,711 | 1,310,243 | 208,825 | - | - |
| Intermediate sources | 43 | - | - | - | - | - | - | - |
| State sources | 9,197,560 | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | 200,000 | - | - | - | 270,000 | 70,000 | - | - |
| Other receipts | - | - | - | - | 2,969 | - | - | - |
| Total receipts | 9,565,415 | 657,841 | 159,323 | 1,021,711 | 1,583,212 | 278,825 | - | - |
| Disbursements: | | | | | | | | |
| Instruction | 6,741,760 | - | - | - | 5,036 | - | 116,341 | - |
| Support services | 2,554,117 | 19,857 | - | 371,361 | 1,150,570 | 216,837 | 274,453 | - |
| Noninstructional services | 110,170 | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | 687,759 | - | - | 75,243 | - |
| Debt service | - | 598,613 | 154,894 | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | 200,000 | - | - | - | 270,000 | 70,000 | - | - |
| Total disbursements | 9,606,047 | 618,470 | 154,894 | 1,059,120 | 1,425,606 | 286,837 | 466,037 | - |
| Excess (deficiency) of receipts over disbursements | (40,632) | 39,371 | 4,429 | (37,409) | 157,606 | (8,012) | (466,037) | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | 33 | 1,200 | - | - | - |
| Transfers in | 64,547 | - | - | 27,613 | - | - | 264,662 | - |
| Transfers out | (24,797) | - | - | - | (252,287) | - | - | - |
| Total other financing sources (uses) | 39,750 | - | - | 27,646 | (251,087) | - | 264,662 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (882) | 39,371 | 4,429 | (9,763) | (93,481) | (8,012) | (201,375) | - |
| Cash and investments - ending | \$ 228,418 | \$ 331,965 | \$ 95,918 | \$ 280,600 | \$ 1,533,728 | \$ 143,107 | \$ 398,625 | \$ 103,833 |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2018

| | Construction | School Lunch | Textbook Rental | Educational License Plates | 5th Grade Mammoth Cave Trip | PSI Iota Xi Sorority Music Gift | Donation Fund: Various Awards | ISTEP |
|---|--------------|--------------|-----------------|----------------------------|-----------------------------|---------------------------------|-------------------------------|--------|
| Cash and investments - beginning | \$ 71,655 | \$ 133,159 | \$ 229,527 | \$ 758 | \$ 700 | \$ 350 | \$ 1,006 | \$ 570 |
| Receipts: | | | | | | | | |
| Local sources | 29,715 | 245,179 | 82,187 | - | - | - | 2,691 | - |
| Intermediate sources | - | - | - | 150 | - | - | - | - |
| State sources | - | 7,625 | 56,818 | - | - | - | - | - |
| Federal sources | - | 497,760 | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | 29,715 | 750,564 | 139,005 | 150 | - | - | 2,691 | - |
| Disbursements: | | | | | | | | |
| Instruction | 42,656 | - | - | - | 700 | - | 617 | 570 |
| Support services | - | 3,167 | 46,412 | - | - | - | 4,515 | - |
| Noninstructional services | - | 748,214 | - | - | - | - | - | - |
| Facilities acquisition and construction | 2,086 | 48,033 | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | 44,742 | 799,414 | 46,412 | - | 700 | - | 5,132 | 570 |
| Excess (deficiency) of receipts over disbursements | (15,027) | (48,850) | 92,593 | 150 | (700) | - | (2,441) | (570) |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | 1,000 | - | - | - | 600 | - | - |
| Transfers in | 6,793 | - | - | - | - | - | 2,860 | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 6,793 | 1,000 | - | - | - | 600 | 2,860 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (8,234) | (47,850) | 92,593 | 150 | (700) | 600 | 419 | (570) |
| Cash and investments - ending | \$ 63,421 | \$ 85,309 | \$ 322,120 | \$ 908 | \$ - | \$ 950 | \$ 1,425 | \$ - |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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 For the Year Ended June 30, 2018

| | Desk Drawer Dollars Elementary | Special Vo-Ag Grounds Work | WHAS Crusade for Children 2016 | Excess Section 125 | Instructional Support | Monsanto GT | Sprint's Fund Grant (Elem) | Dilbert King Foundation |
|---|---|----------------------------------|---|-----------------------|--------------------------|-----------------|-------------------------------------|-------------------------------|
| Cash and investments - beginning | \$ - | \$ 71 | \$ - | \$ 17,591 | \$ 258 | \$ 24,940 | \$ - | \$ 861 |
| Receipts: | | | | | | | | |
| Local sources | 3,572 | - | - | 1,226 | - | - | 96 | 1,200 |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | <u>3,572</u> | <u>-</u> | <u>-</u> | <u>1,226</u> | <u>-</u> | <u>-</u> | <u>96</u> | <u>1,200</u> |
| Disbursements: | | | | | | | | |
| Instruction | 1,706 | - | - | - | - | 24,520 | - | 1,830 |
| Support services | - | - | - | - | 258 | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | <u>1,706</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>258</u> | <u>24,520</u> | <u>-</u> | <u>1,830</u> |
| Excess (deficiency) of receipts over disbursements | <u>1,866</u> | <u>-</u> | <u>-</u> | <u>1,226</u> | <u>(258)</u> | <u>(24,520)</u> | <u>96</u> | <u>(630)</u> |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | 1,442 |
| Transfers out | - | - | - | - | - | (420) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(420)</u> | <u>-</u> | <u>1,442</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>1,866</u> | <u>-</u> | <u>-</u> | <u>1,226</u> | <u>(258)</u> | <u>(24,940)</u> | <u>96</u> | <u>812</u> |
| Cash and investments - ending | <u>\$ 1,866</u> | <u>\$ 71</u> | <u>\$ -</u> | <u>\$ 18,817</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 96</u> | <u>\$ 1,673</u> |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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| | Walmart Clothes Closet Gift | Farmers Growing Communities | Basketball/ Softball Donations | Community Calf Project | Gleaners Food Pantry | Lego Robotics | Kindergarten Registration Fund | Coalition Substance Abuse |
|---|-----------------------------------|-----------------------------------|--------------------------------------|------------------------------|----------------------------|------------------|--------------------------------------|---------------------------------|
| Cash and investments - beginning | \$ 3,490 | \$ 60 | \$ 942 | \$ 17,713 | \$ 531 | \$ 3,235 | \$ 347 | \$ 1,708 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | 3,000 | 7,714 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | - | - | 3,000 | 7,714 | - | - | - |
| Disbursements: | | | | | | | | |
| Instruction | 591 | 56 | - | 7,069 | 7,888 | 1,009 | 723 | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | 950 | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | 591 | 56 | - | 8,019 | 7,888 | 1,009 | 723 | - |
| Excess (deficiency) of receipts over disbursements | (591) | (56) | - | (5,019) | (174) | (1,009) | (723) | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | 200 | - | - | - |
| Transfers in | - | - | - | 420 | - | - | 500 | - |
| Transfers out | - | - | (942) | - | - | - | - | - |
| Total other financing sources (uses) | - | - | (942) | 420 | 200 | - | 500 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (591) | (56) | (942) | (4,599) | 26 | (1,009) | (223) | - |
| Cash and investments - ending | \$ 2,899 | \$ 4 | \$ - | \$ 13,114 | \$ 557 | \$ 2,226 | \$ 124 | \$ 1,708 |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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| | PLTW - Expansion of PLTW STEM PR | Preschool Playground Fund Raiser | HS Media Arts Fees | Walmart Special Ed Gift | Walmart Wrestling Gift | CPR Training Instruction | Extra- Curricular Activities | Tootsie Roll Gift Special Education Class |
|---|--|--|--------------------------|-------------------------------|------------------------------|--------------------------------|------------------------------------|---|
| Cash and investments - beginning | \$ 1,715 | \$ 104 | \$ 4,111 | \$ 203 | \$ 500 | \$ 271 | \$ 119 | \$ 607 |
| Receipts: | | | | | | | | |
| Local sources | - | 958 | - | - | - | 40 | 2,488 | 375 |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | 958 | - | - | - | 40 | 2,488 | 375 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | - | - | 426 |
| Support services | 1,706 | - | - | - | - | 206 | 2,291 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 3,908 | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | 1,706 | - | 3,908 | - | - | 206 | 2,291 | 426 |
| Excess (deficiency) of receipts over disbursements | (1,706) | 958 | (3,908) | - | - | (166) | 197 | (51) |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | 188 | - | - | - | - | - | - |
| Transfers out | (9) | (1,000) | - | - | (500) | - | - | - |
| Total other financing sources (uses) | (9) | (812) | - | - | (500) | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (1,715) | 146 | (3,908) | - | (500) | (166) | 197 | (51) |
| Cash and investments - ending | \$ - | \$ 250 | \$ 203 | \$ 203 | \$ - | \$ 105 | \$ 316 | \$ 556 |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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| | 5th Grade Trips Stephan | Scholarships and Awards | Construction, Remodeling, and Equipping Buildings | Insurance Student Laptops | The NEA Foundation | 6th Grade Museum Trip Grant | Formative Assessment | Computer Consortium/ Ed Tech Advance |
|---|-------------------------------|-------------------------------|---|---------------------------------|--------------------------|-----------------------------------|-------------------------|---|
| Cash and investments - beginning | \$ 1,044 | \$ 104 | \$ 15,548 | \$ 24,402 | \$ 500 | \$ 824 | \$ 2,511 | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | 39,560 | 3,022 | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | 14,998 | 133,300 |
| Federal sources | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | - | 39,560 | 3,022 | - | - | 14,998 | 133,300 |
| Disbursements: | | | | | | | | |
| Instruction | 420 | - | - | - | - | - | 31,909 | - |
| Support services | - | - | - | 380 | - | - | - | 133,300 |
| Noninstructional services | - | 104 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - | - |
| Total disbursements | 420 | 104 | - | 380 | - | - | 31,909 | 133,300 |
| Excess (deficiency) of receipts over disbursements | (420) | (104) | 39,560 | 2,642 | - | - | (16,911) | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | (500) | - | - | - |
| Total other financing sources (uses) | - | - | - | - | (500) | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (420) | (104) | 39,560 | 2,642 | (500) | - | (16,911) | - |
| Cash and investments - ending | \$ 624 | \$ - | \$ 55,108 | \$ 27,044 | \$ - | \$ 824 | \$ (14,400) | \$ - |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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| | Medicaid Reimbursement | Secured Schools Safety Grant | School Technology | Career and Technical Performance Grant | Performance Based Awards | Construction Activity Center | High School Construction |
|---|---------------------------|---------------------------------------|----------------------|---|--------------------------------|------------------------------------|--------------------------------|
| Cash and investments - beginning | \$ 12,595 | \$ 38,537 | \$ 52,241 | \$ 5,802 | \$ 1,894 | \$ 3,118 | \$ 12,637 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | 1,596 | 17,792 | 26,465 | 2,165 | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | 1,596 | 17,792 | 26,465 | 2,165 | - | - | - |
| Disbursements: | | | | | | | |
| Instruction | - | 15,364 | 23,815 | 2,165 | 216 | - | - |
| Support services | - | - | 17,091 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total disbursements | - | 15,364 | 40,906 | 2,165 | 216 | - | - |
| Excess (deficiency) of receipts over disbursements | 1,596 | 2,428 | (14,441) | - | (216) | - | - |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | (40,965) | - | - | - | (3,118) | - |
| Total other financing sources (uses) | - | (40,965) | - | - | - | (3,118) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 1,596 | (38,537) | (14,441) | - | (216) | (3,118) | - |
| Cash and investments - ending | \$ 14,191 | \$ - | \$ 37,800 | \$ 5,802 | \$ 1,678 | \$ - | \$ 12,637 |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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| | Excess PTRC Distributions | Title I 2016-2017 | Title I 2014-2015 | Drug Free Schools | Medicaid Reimbursement - Federal | Improving Teacher Quality, No Child Left, Title II, Part A | Title II, Part A, FY14 |
|---|---------------------------------|----------------------|----------------------|-------------------------|--|---|------------------------------|
| Cash and investments - beginning | \$ 2,602 | \$ (17,363) | \$ - | \$ - | \$ 2,921 | \$ (294) | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | 96,793 | 135,208 | - | - | 14,860 | - |
| Interfund loans | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | 96,793 | 135,208 | - | - | 14,860 | - |
| Disbursements: | | | | | | | |
| Instruction | - | 83,238 | 157,004 | - | - | 17,015 | - |
| Support services | - | 3,735 | - | - | - | 24,094 | - |
| Noninstructional services | - | 500 | 59 | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total disbursements | - | 87,473 | 157,063 | - | - | 41,109 | - |
| Excess (deficiency) of receipts over disbursements | - | 9,320 | (21,855) | - | - | (26,249) | - |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | 8,043 | - | - | - | 17,014 | - |
| Transfers out | (2,602) | - | (8,043) | - | (2,921) | - | - |
| Total other financing sources (uses) | (2,602) | 8,043 | (8,043) | - | (2,921) | 17,014 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (2,602) | 17,363 | (29,898) | - | (2,921) | (9,235) | - |
| Cash and investments - ending | \$ - | \$ - | \$ (29,898) | \$ - | \$ - | \$ (9,529) | \$ - |

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

| | Title II, Part A, FY15 | Title II, Part A, FY 17 | Rural Schools and Low Income Program - Pass Through State | Rural Schools FY16 Title VI | Prepaid Food | Payroll Clearing Accounts | Totals |
|---|------------------------------|-------------------------------|--|--------------------------------------|-----------------|---------------------------------|--------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ 4,212 | \$ - | \$ 4,066,844 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 3,948,778 |
| Intermediate sources | - | - | - | - | - | - | 193 |
| State sources | - | - | - | - | - | - | 9,458,319 |
| Federal sources | 41,544 | 29,462 | - | 19,830 | - | - | 835,457 |
| Interfund loans | - | - | - | - | - | - | 540,000 |
| Other receipts | - | - | - | - | 196,749 | 2,279,909 | 2,479,627 |
| Total receipts | 41,544 | 29,462 | - | 19,830 | 196,749 | 2,279,909 | 17,262,374 |
| Disbursements: | | | | | | | |
| Instruction | - | 14,808 | - | 3,735 | - | - | 7,303,187 |
| Support services | - | 220 | - | 17,105 | - | - | 4,841,675 |
| Noninstructional services | - | - | - | - | - | - | 859,997 |
| Facilities acquisition and construction | - | - | - | - | - | - | 817,029 |
| Debt service | - | - | - | - | - | - | 753,507 |
| Nonprogrammed charges | - | - | - | - | 195,022 | 2,279,909 | 2,474,931 |
| Interfund loans | - | - | - | - | - | - | 540,000 |
| Total disbursements | - | 15,028 | - | 20,840 | 195,022 | 2,279,909 | 17,590,326 |
| Excess (deficiency) of receipts over disbursements | 41,544 | 14,434 | - | (1,010) | 1,727 | - | (327,952) |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | 3,033 |
| Transfers in | - | - | - | - | - | - | 394,082 |
| Transfers out | (41,544) | (14,434) | - | - | - | - | (394,082) |
| Total other financing sources (uses) | (41,544) | (14,434) | - | - | - | - | 3,033 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | (1,010) | 1,727 | - | (324,919) |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ (1,010) | \$ 5,939 | \$ - | \$ 3,741,925 |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

| <u>Government or Enterprise</u> | <u>Accounts Payable</u> | <u>Accounts Receivable</u> |
|---------------------------------|-------------------------|----------------------------|
| Governmental activities | <u>\$ 48,607</u> | <u>\$ 54,836</u> |

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2018

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|---|-----------------------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities: | | | | |
| Southwestern Jefferson County School Building Corporation | Construction Loan | \$ 100,000 | 12/31/2002 | 12/31/2025 |
| Southwestern Jefferson County Multi-School Building Corporation | Construction Activity Center Loan | <u>210,500</u> | 7/15/2016 | 1/15/2030 |
| Total governmental activities | | <u>310,500</u> | | |
| Total of annual lease payments | | <u>\$ 310,500</u> | | |

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|-------------------------------|--------------------------------|---|
| Type | Purpose | |
| Governmental activities: | | |
| General obligation bonds | Retirement/Severance Bonds | \$ 285,000 |
| Notes and loans payable | Common School Loan #A0478 | 1,738,528 |
| Notes and loans payable | Common School Loan #A1608 | 11,909 |
| Notes and loans payable | Common School Loan #A1742 | 36,510 |
| Notes and loans payable | Common School Loan #A1851 | 60,000 |
| Notes and loans payable | Common School Loan #B0028 | <u>133,300</u> |
| Total governmental activities | | <u>2,265,247</u> |
| Totals | | <u>\$ 2,265,247</u> |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Southwestern Jefferson County Consolidated School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Child Nutrition Cluster and Special Education Cluster (IDEA)

As described in items 2018-004 and 2018-008 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles and Special Tests and Provisions - Paid Lunch Equity that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

As described in item 2018-009 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Matching, Level of Effort, Earmarking that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster and Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster and Special Education Cluster (IDEA)* 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 the Child Nutrition Cluster and the Special Education Cluster (IDEA) 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 2018-005, 2018-006, 2018-007, and 2018-010. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-003, 2018-004, 2018-005, 2018-006, 2018-007, 2018-008, 2018-009, and 2018-010, that we consider to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

May 16, 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.

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

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-17 | Total Federal Awards Expended 06-30-17 | Passed Through to Subrecipient 06-30-18 | Total Federal Awards Expended 06-30-18 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| <u>Department of Agriculture</u> | | | | | | | |
| Child Nutrition Cluster | | | | | | | |
| School Breakfast Program | Indiana Department of Education | 10.553 | | | | | |
| School Breakfast Program | | | FY 16/17 | \$ - | \$ 119,419 | \$ - | \$ - |
| | | | FY 17/18 | - | - | - | 124,743 |
| | | | | <u>-</u> | <u>119,419</u> | <u>-</u> | <u>124,743</u> |
| Total - School Breakfast Program | | | | | | | |
| | | | | <u>-</u> | <u>119,419</u> | <u>-</u> | <u>124,743</u> |
| National School Lunch Program | Indiana Department of Education | 10.555 | | | | | |
| National School Lunch Program | | | FY 16/17 | - | 373,811 | - | - |
| National School Lunch Program - Commodities | | | FY 16/17 | - | 67,962 | - | - |
| National School Lunch Program | | | FY 17/18 | - | - | - | 373,017 |
| National School Lunch Program - Commodities | | | FY 17/18 | - | - | - | 67,671 |
| | | | | <u>-</u> | <u>-</u> | <u>-</u> | <u>67,671</u> |
| Total - National School Lunch Program | | | | <u>-</u> | <u>441,773</u> | <u>-</u> | <u>440,688</u> |
| Total - Child Nutrition Cluster | | | | <u>-</u> | <u>561,192</u> | <u>-</u> | <u>565,431</u> |
| Total - Department of Agriculture | | | | <u>-</u> | <u>561,192</u> | <u>-</u> | <u>565,431</u> |
| <u>Department of Education</u> | | | | | | | |
| Special Education Cluster (IDEA) | | | | | | | |
| Special Education Grants to States | Indiana Department of Education | 84.027 | | | | | |
| FY2015 Federal Part B 611 | | | 14215-038-PN01 | - | 103,334 | - | - |
| FY2016 Federal Part B 611 | | | 14216-036-PN01 | - | 327,621 | - | 18,467 |
| FY2016 Federal Part B 611 | | | 14216-138-PN01 | - | - | - | 30,247 |
| FY2017 Federal Part B 611 | | | 14217-036-PN01 | - | 7,490 | - | - |
| FY2017 Federal Part B 611 | | | 14217-140-PN01 | - | - | - | 333,545 |
| FY2018 Federal Part B 611 | | | 18611-036-PN01 | - | - | - | 7,024 |
| | | | | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,024</u> |
| Total - Special Education Grants to States | | | | <u>-</u> | <u>438,445</u> | <u>-</u> | <u>389,283</u> |

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

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-17 | Total Federal Awards Expended 06-30-17 | Passed Through to Subrecipient 06-30-18 | Total Federal Awards Expended 06-30-18 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| Special Education Preschool Grants | Indiana Department of Education | 84.173 | | | | | |
| FY2015 Federal Preschool 619 | | | 45715-038-PN01 | - | 3,020 | - | - |
| FY2016 Federal Preschool 619 | | | 45716-036-PN01 | - | 8,915 | - | 200 |
| FY2016 Federal Preschool 619 | | | 45716-136-PN01 | - | - | - | 751 |
| FY2017 Federal Preschool 619 | | | 45717-036-PN01 | - | 1,260 | - | - |
| FY2017 Federal Preschool 619 | | | 45717-140-PN01 | - | - | - | 9,855 |
| Total - Special Education Preschool Grants | | | | - | 13,195 | - | 10,806 |
| Total - Special Education Cluster (IDEA) | | | | - | 451,640 | - | 400,089 |
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | | | | | |
| Title I Basic Grant | | | 16-4000 | - | 141,173 | - | - |
| Title I Basic Grant | | | 17-4000 | - | 175,949 | - | 96,793 |
| Title I Basic Grant | | | 18-4000 | - | - | - | 135,208 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 317,122 | - | 232,001 |
| Rural Education | Indiana Department of Education | 84.358 | | | | | |
| Rural Schools Grant | | | 7000S358B150014 | - | 27,866 | - | - |
| Rural Schools Grant | | | S358B0160014 | - | 551 | - | 19,830 |
| Total - Rural Education | | | | - | 28,417 | - | 19,830 |
| Supporting Effective Instruction State Grants | Indiana Department of Education | 84.367 | | | | | |
| Title II Part A | | | 14-4000 | - | 3,899 | - | - |
| Title II Part A | | | 15-4000 | - | - | - | 41,544 |
| Title II Part A | | | S367A160013 | - | 5,926 | - | 14,860 |
| Title II Part A | | | S367A170013 | - | - | - | 29,462 |
| Total - Supporting Effective Instruction State Grants | | | | - | 9,825 | - | 85,866 |
| Total - Department of Education | | | | - | 807,004 | - | 737,786 |
| Total federal awards expended | | | | \$ - | \$ 1,368,196 | \$ - | \$ 1,303,217 |

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. *Summary of Significant Accounting Policies*

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

Note 3. *Special Education Cooperative*

The School Corporation is a member of the Madison Area Educational Special Services Unit (MAESSU), a Special Education Cooperative. The MAESSU serves as the fiscal agent for the operation of the special education federal grant programs of the School Corporation. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not represented in the receipts and disbursements in the financial statement of the School Corporation.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

| <u>Name of Federal Program or Cluster</u> | <u>Opinion Issued</u> |
|--|-----------------------|
| Child Nutrition Cluster | Qualified |
| Special Education Cluster (IDEA) | 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 of Finding 2016-001 from the immediately prior audit.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Context

Failure to establish proper controls resulted in the SEFA containing the following errors:

1. In fiscal year 2016-2017, the National School Lunch Program expenditures and its related food commodities were omitted, resulting in expenditures being understated in the amount of \$441,773. In 2017-2018, the National School Lunch Program expenditures in the amount of \$373,017 were incorrectly included with the amount for the School Breakfast Program, and food commodities in the amount of \$67,671 were omitted.
2. Several program titles, CFDA numbers, and project numbers were incorrect.

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

§ 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

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

Cause

Management of the School Corporation 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 School Corporation's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2018-002

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2016-002 from the immediately prior audit in relation to lack of segregation of duties for receipts and payroll, and monitoring of controls.

Condition

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

1. Lack of Controls - Cash and Investments: Controls in place over cash and investments were not effective. One bank reconciliation had no evidence of review and approval by someone other than the person performing the reconciliation. One bank reconciliation was performed and was reviewed and approved by someone other than the person performing the reconciliation, but the reconciliation was footed incorrectly. The approver signed off on the reconciliation even though the footed numbers did not reconcile to the School Corporation's records.
2. Lack of Segregation of Duties - Receipts: Receipts were written mostly by one employee who also made the bank deposits and took the deposits to the bank.

Supporting documentation, which consisted of duplicate receipts from the daycare and preschool staff, was not retained by the Business Office, nor were there any notations of the daycare and preschools receipt numbers recorded on the Business Office's receipts to provide proper audit trails to trace the source document to the amounts recorded in the financial records. As a result, those receipts could not be tested to determine whether the receipts were deposited intact and timely. Also, there were no reconciliations between the receipts issued and the actual monies remitted to the Business Office and deposited.

Persons responsible for billing fees for items, such as, preschool and aftercare and meals provided to outside organizations, were also responsible for collecting the monies owed and maintaining records of outstanding balances owed.

Receipts for services paid with a credit card were not being issued at the time of the transaction, but were instead being issued when the monies associated with the credit card payment were deposited into the bank account by the credit card processing company.

3. Lack of Segregation of Duties - Payroll: The School Corporation had not separated incompatible activities related to payroll. The employee processing payroll prepared the worksheets for each school year to determine the amounts to be paid to employees, made pay rate and deduction changes, verified and made changes to time sheets and/or authorization worksheets, tracked and made adjustments for the noncertified staff paid year round, input hours worked and leave time used, and prepared some of the payroll deduction payments. This employee also prepared the summary authorization worksheets for several departments and signed off on those departmental authorization worksheets, which included maintenance, bus drivers, and central office/business staff. This employee posted the payroll to the budgetary accounts and also ran the direct deposit reports and processed the direct deposits with the bank. There was no documented evidence of any review or approval process.

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(Continued)

4. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting require the School Corporation to monitor and assess the quality of the system of internal control.

Context

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

Criteria

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

"Risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment is the process used to identify and assess internal and external risks to the achievement of objectives, and then establish risk tolerances. Each identified risk is evaluated in terms of its impact and likelihood of occurrence. Overall, risk assessment is the basis for determining how risk will be managed. . . ."

"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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented

Management remediates identified issues. . . ."

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(Continued)

Cause

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

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting over cash and investments, receipts, and payroll disbursements.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-003

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 16/17, FY 17/18
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Cash Management, Eligibility,
Program Income, Reporting, Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP)
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Findings 2016-010 and 2016-012 from the immediately prior audit.

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:

Activities Allowed or Unallowed

A review of the ledger expenditures was not performed to ensure all expenditures charged to the program were related to allowable activities. Also, timesheets were used to support the payroll expenses paid from school lunch funds, but some of the timesheets examined were not reviewed and approved by the Food Service Director or supervising official.

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(Continued)

Cash Management

A system was not in place to review the balance of the School Lunch fund to determine compliance with the cash management requirements.

Eligibility

Determination of eligibility and review of computerized free and reduced applications were performed by one employee without any evidence of an oversight, review, or approval process.

Program Income

A worksheet was prepared accumulating daily program income related to meal purchases for the month. Monthly totals per the worksheet were used to record the financial activity to the School Lunch fund. Instances were identified in which figures recorded on the worksheet were adjusted to force the student subsidiary account balance to agree with the control account balance. Some adjustments were the result of credit card sales not being recorded at the time of the transactions. Controls were not in place to ensure the accuracy of the daily figures accumulated on the worksheet and to ensure all credit cards sales were recorded at the time of the activity.

The School Corporation had not separated incompatible duties associated with program income derived from meal sales. The same person responsible for recording monies collected on student accounts was also responsible for recording adjustments to student accounts without any oversight or review to ensure the adjustments recorded were valid.

Reporting

Monthly Sponsor Claims (claims for reimbursement), Annual Financial Reports, and the Annual Verification of Free and Reduced Price applications (NSLP) reports were prepared and submitted by either the Food Service Director or the Assistant to the Food Service Director without any oversight, review, or approval process.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The verification process was performed by one person. A second person signed the paperwork; however, they did not perform any oversight, review, or approval process.

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:

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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(Continued)

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

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and compliance requirements listed above.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with 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 controls to ensure compliance with the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2018-004

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 16/17, FY 17/18
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat of Finding 2016-011 from the immediately prior audit.

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(Continued)

Condition

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

The Food Service Director did not obtain or review financial reports of the School Lunch fund to ensure that allowable costs were charged to the program. A system was not in place whereby the Food Service Director reviewed all invoices paid from the School Lunch fund.

Purchases were made from the School Lunch fund that were not directly related to the operation of the school food service program. Purchases in the amount of \$40,593 were made for an outdoor LED sign, gym projector, and sound system. In addition, salaries for the school resource officer in the amount of \$6,503 were charged to the program. These expenditures, along with \$800 for tables in the teachers' lounge, were considered known questioned cost totaling \$47,896. The \$800 for tables identified during sampling results in projected unallowable costs of \$14,354.

The School Corporation did not have adequate documentation to support the allocation of some salaries and wages charged to the program. Employees performing multiple duties for the School Corporation did not have adequate documentation to support the amount of time worked on the program in relationship to other duties performed. Garbage removal, gas heating, and water and sewer utility costs were charged to the program without documentation to support how the percentage of the total costs charged to the program were determined.

Context

The lack of controls and noncompliance were systemic issues during the entire 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 200.430(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;

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(Continued)

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

2 CFR 200.403 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. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect

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

Questioned Costs

There were known questioned costs identified, which totaled \$47,896.

Recommendation

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

Views of Responsible Officials

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

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(Continued)

FINDING 2018-005

Subject: Child Nutrition Cluster - Equipment
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 16/17, FY 17/18
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2016-009 from the immediately prior audit.

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 Equipment and Real Property Management compliance requirement.

Equipment records were not properly maintained during the audit period to record all acquisitions and disposals of equipment, nor had a physical inventory been conducted within the last two years. Approval had not been obtained from the awarding agency for the purchase of equipment.

Context

The lack of internal 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). . . ."

2 CFR 200.313(d) states in part:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

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(Continued)

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. . . ."

2 CFR 200.313(a) states in part:

". . . Title must vest in the non-Federal entity subject to the following condition: . . .

- (2) Not encumber the property without approval of Federal awarding agency or pass through entity. . . ."

United States Department of Agriculture (USDA) memo code SP 31 - 2014 states in part:

"Appendix B, section 15 . . . require a grantee or subgrantee to obtain the prior written approval of its awarding agency before incurring the cost of a capital expenditure . . . Any equipment established on the FNS-approved equipment list will receive automatic State approved agency approval . . . If any equipment purchases are identified as unallowable, State agencies would disallow these purchases and implement their debt collection procedures."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Equipment and Real Property 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.

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(Continued)

FINDING 2018-006

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 16/17, FY 17/18
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 of Finding 2016-008 from the immediately prior audit.

Condition

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

Procurement

An effective internal control system was not in place at the School Corporation to ensure that the purchasing methods used complied with applicable state and local requirements, or that revisions were made to the purchasing policy to ensure that the purchasing method used complied with 2 CFR 200.320.

The Food Service Director was responsible for the preparation, distribution, and review of the bid packets sent to vendors. There was no oversight to verify that the School Corporation was adhering to grant requirements over procurement.

The procurement policy presented for audit did not conform to the 2 CFR 200.320 standards. These standards included micro-purchases, small purchases, and other purchases including those with sole source vendors. The School Corporation also did not have written standards covering conflicts of interest governing performance of its employees engaged in the selection, award, and administration of contracts. In addition, the School Corporation did not have a policy to maintain, and did not maintain, the history of its procurements.

Suspension and Debarment

The School Corporation had not established internal controls to ensure compliance with suspension and debarment requirements. There were no effective controls in place to ensure that the vendors were not suspended or debarred from participating in federal programs.

The School Corporation did not comply with the suspension and debarment requirements. The School Corporation had not established a suspension and debarment policy, nor did they retain supporting documentation to show that they verified that the vendors were not suspended or debarred from participation in federal programs before doing business with them.

Context

The lack of controls and noncompliance over Procurement and Suspension and Debarment were systemic throughout the entire audit period.

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(Continued)

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. . . .

(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. . . ."

2 CFR 200.320 states in part:

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

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

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

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

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(Continued)

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate."

2 CRF 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 of the School Corporation had not developed a system of internal controls to ensure compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2018-007

Subject: Child Nutrition Cluster - 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 16/17, FY 17/18
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - School Food Accounts
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2016-010 from the immediately prior audit.

Condition

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

Controls were not in place to ensure that all applicable revenue and expenses were properly accounted for in the school food account. Ledger reports showing revenue and expenditures of the school food account (School Lunch fund) were not reviewed to ensure all revenue was accounted for within the fund and only allowable costs were charged to the fund.

In August 2016, the amount of \$100,000 was transferred out of the School Lunch fund to the Rainy Day fund for activity not related to the operation of the school food account program. In the fall of 2018, the School Corporation was informed the transfer was not allowable and subsequently, transferred the monies back to the School Lunch fund on October 24, 2018.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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(Continued)

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. . . ."

7 CFR 220.7(e) states in part:

". . . The School Food Authority shall, with respect to participating schools under its jurisdiction:

- (1)(i) Maintain a nonprofit school food service;
- (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. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that ensured compliance with the grant agreement and the Special Tests and Provisions - School Food Accounts compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Special Tests and Provisions - School Food Accounts compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - School Food Accounts compliance requirement.

Views of Responsible Officials

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2018-008

Subject: Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Number and Year (or Other Identifying Number): FY 16/17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat of Finding 2016-010 from the immediately prior audit.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement. Paid lunch equity calculations were prepared by one employee without an oversight, review, or approval process.

During fiscal year 2016-2017 lunch prices were not increased as required based on the paid lunch equity calculator.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The noncompliance only pertained to 2016-2017.

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(e) states in part:

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

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

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

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(Continued)

- (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (i.e., the reimbursement difference);
 - (iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section.
- (2) Average paid lunch price is equal to/greater than the reimbursement difference. When the average paid lunch price from the prior school year is equal to or greater than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average paid lunch price for the current school year that is not less than the difference identified in (e)(1)(iii) of this section; except that, the school food authority may use the procedure in paragraph (e)(4)(ii) of this section when establishing prices of paid lunches.
- (3) Average lunch price is lower than the reimbursement difference. When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:
- (i) 2 percent; and
 - (ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the FEDERAL REGISTER announcing the national average payment rates, from the prior year.
- (4) Price adjustments.
- (i) Maximum required price increase. The maximum annual average price increase required under this paragraph shall not exceed ten cents.
 - (ii) Rounding of paid lunch prices. Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents.
 - (iii) Optional price increases. A school food authority may increase the average price by more than ten cents."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Effect

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2018-009

Subject: Special Education Cluster (IDEA) - Level of Effort

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-038-PN01, 14216-036-PN01, 14216-138-PN01, 14217-036-PN01, 14217-140-PN01, 18611-036-PN01, 45715-038-PN01, 45716-036-PN01, 45716-136-PN01, 45717-036-PN01, 45717-140-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat of Finding 2016-013 from the immediately prior audit.

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 maintenance of effort requirement of the Matching, Level of Effort, Earmarking compliance requirement.

The state and local expenditure categories reported on the applications were inconsistent between the applications for application year 2017, application year 2018, and application year 2019. There were no explanations provided for the inconsistencies. In addition to the inconsistencies in expenditure categories reported, the expenditures reported in application year 2019 included costs not associated with special education. As a result of inconsistencies in expenditure categories and incorrect costs reported, we could not determine compliance with maintenance of effort requirements.

Context

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 300.203(b) states in part:

"Compliance standard.

- (1) Except as provided in §§ 300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.
- (2) An LEA meets this standard if it does not reduce the level of expenditures for the education of children with disabilities made by the LEA from at least one of the following sources below the level of those expenditures from the same source for the preceding fiscal year, except as provided in §§ 300.204 and 300.205:
 - (i) Local funds only;
 - (ii) The combination of State and local funds;
 - (iii) Local funds only on a per capita basis; or
 - (iv) The combination of State and local funds on a per capita basis. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs

There were no questioned costs identified.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Matching, Level of Effort, Earmarking 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 2018-010

Subject: Special Education Cluster (IDEA) - Procurement

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 45717-140-PN01, 14217-140-PN01,
45716-036-PN01, 45716-136-PN01,
14216-036-PN01, 14216-138-PN01,
18611-036-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition

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

The School Corporation designated a fiscal agent to receive and manage the funding of the special education program. The School Corporation did not have controls in place to monitor the fiscal agent's purchasing methods which resulted in the following noncompliance.

Procurement

The procurement policy used by the fiscal agent did not reflect the federal guidelines established under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* Uniform Guidance, causing the fiscal agent to be noncompliant with the requirements for Procurement.

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:

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

2 CFR 200.320 states in part:

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

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

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

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate."

Cause

Management of the School Corporation had not developed or implemented a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance 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.

AUDITEE-PREPARED DOCUMENTS

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

Southwestern Jefferson County Consolidated School Corporation

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Jeffrey L. Bates

Assistant To
Superintendent/
Corporation Treasurer

Laura Boldery

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Jodi Gray, Member

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

FINDING 2016-001 – Preparation of the Schedule of Expenditures of Federal Awards

Fiscal year in which the finding initially occurred: FY12-13; FY13-14
Contact Person Responsible for Corrective Action: Penny Mahoney, Federal Bookkeeper; Melissa May, Bookkeeper; Laura Boldery, Treasurer; Robert Adams, Title I Director; Katie King, Food Service Director
Contact Phone Numbers: 812-866-1235; 812-866-6253; 812-866-6222; 812-866-6254

Status of Audit Finding:

Due to lack of a proper system of internal control in place, the SEFA contained errors. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA . The School Corporation has established more internal controls related to the preparation of the SEFA. We continue working to ensure correct reporting on the SEFA is taking place.

Penny Mahoney, Federal Bookkeeper, will be filling out the SEFA report. Reports will be run to support the numbers and kept in a separate binder for review. Katie King, Director of Child Nutrition, will be providing Child Nutrition information and supporting documentation will be on file for review. Melissa May, bookkeeper in Central Office, will review all information prior to sending report. Laura Boldery, Treasurer, will check the SEFA once again prior to the submission by Penny Mahoney. A form will be kept in the SEFA folder with all signatures for the audit review. This process was started 1/1/19 after our audit was completed and new personnel were trained.

Laura Boldery
Treasurer / Assistant to Supt.

5-1-19
DATE

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

FINDING 2016-002 – Financial Transactions and Reporting

Fiscal year in which the finding initially occurred: FY14-15; FY15-16

Contact Person Responsible for Corrective Action: Melissa May, Bookkeeper (part-time);

Laura Boldery, Treasurer; Linda Shepherd, Deputy Treasurer; Penny Mahoney, Payroll

Contact Phone Numbers: 812-866-1235; 812-866-6253; 812-866-6252

Status of Audit Finding:

Due to lack of proper systems of internal controls in place the receipt processing procedures are being changed. The deposits are now being done by Linda Shepherd, Deputy Treasurer. Melissa May, bookkeeper, prints and enters them into Komputrol after Laura Boldery, Treasurer, approves and signs each receipt. Preschool receipts are recorded in another receipt book, signed and dated, by the individual delivering the payment to Central office and the receiving Central office employee.

The lack of Segregation of Duties for Payroll are being changed. More employees are checking the work and signing spread sheets to verify the work being done. Timesheets will be signed by their supervisors. Penny Mahoney, Payroll, checks timesheets for accuracy and signatures. Penny Mahoney enters and calculates payroll. Linda Shepherd, Deputy Treasurer, then proofs prior to printing checks. If changes are needed corrections are approved by both employees.

Due to staff turnover the School Corporation will continue working on Internal Controls and providing better Segregation of Duties.

Laura Boldery
Treasurer / Assistant To Supt.

5-1-19

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS May 1, 2019

FINDING 2016-003 – Title I Grants to Local Educational Agencies – Internal Controls

Fiscal year in which the finding initially occurred: FY12-13; FY13-14

Contact Person Responsible for Corrective Action: Robert Adams, Title I Director; Penny Mahoney, Federal Bookkeeper & Payroll; Laura Boldery, Treasurer; Linda Shepherd, Deputy Treasurer; Melissa May, Bookkeeper (Part-time)

Contact Phone Numbers: 812-866-1235; 812-866-6222; 812-866-6253; 812-866-6252; 812-866-6215

Status of Audit Finding:

Activities Allowed or Not allowed, Eligibility and Reporting are all being corrected to the best of our ability. The School Corporation's management continues to establish controls related to the grant agreement and compliance requirements listed in the Finding. We will continue working on internal control and are establishing spread sheets to be signed and approved by official personnel.

Real Time Reports will be run and sent to secretaries of each school for review and approval. Penny Mahoney will be running expenditure reports and after approval by Laura Boldery filing for Audit Review. Robert Adams and Laura Boldery will both sign off on the comprehensive plan and annual evaluation of the schoolwide plan when completed. Linda Shepherd and/or Melissa May will review the Title I documents monthly to make sure they are accurate and sign off on them.

Laura Boldery
Treasurer / Asst. to Supt.

5-1-19

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

FINDING 2016-004 – Title I Grants to Local Educational Agencies – Procurement & Suspension & Debarment

Fiscal year in which the finding initially occurred: FY14-15; FY15-16
Contact Person Responsible for Corrective Action: Robert Adams, Title I Director
Contact Phone Numbers: 812-866-6222

Status of Audit Finding:

Controls to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirements have not been entirely implemented due to turnover in staff. The School Corporation is working to ensure compliance.

Robert Adams will check to ensure vendors are not suspended or debarred from participation in federal programs before doing business with them. The school corporation has a policy and it will be updated if necessary.

-
Laura Boldery
Treas./Asst to Supt.
5-1-19
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-005 – Title I Grants to Local Educational Agencies – Allowable Costs/Cost Principals

Fiscal year in which the finding initially occurred: FY12-13; FY13-14

Contact Person Responsible for Corrective Action: Robert Adams, Title I Directors; Penny Mahoney, Payroll Clerk; Laura Boldery, Treasurer

Contact Phone Numbers: 812-866-6215; 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principals compliance requirements to the best of our ability. Compliance requirements have not been entirely implemented due to turnover in staff.

Better records are being kept for Audits. Title I payroll expenditures are being kept separately from other jobs. Reports are being signed and approved better. The Title I Director is getting reports and approving allowable costs more closely. The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Laura Boldery
Treas./Asst. to Supt

5-2-19

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

FINDING 2016-006 – Title I Grants to Local Educational Agencies – Special Tests and Provisions

Fiscal year in which the finding initially occurred: FY12-13; FY13-14
Contact Person Responsible for Corrective Action: Robert Adams, Title I Directors; Penny Mahoney, Payroll Clerk; Laura Boldery, Treasurer
Contact Phone Numbers: 812-866-6215; 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – School wide Programs compliance requirements. Due to turnover in staff all Compliance requirements have not been entirely implemented. The Director is working on performing the required annual evaluation requirement. Better records are being kept for Audits. The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Laura Boldery
Treas./Asst. to Supt

5-1-19

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS May 1, 2019

FINDING 2016-007 – Title I Grants to Local Educational Agencies – Period of Performance

Fiscal year in which the finding initially occurred: FY12-13; FY13-14

Contact Person Responsible for Corrective Action: Robert Adams, Title I Director; Penny Mahoney, Payroll Clerk; Laura Boldery, Treasurer

Contact Phone Numbers: 812-866-6215; 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the Period of Performance compliance requirements. The Directors are working on performing the requirements. Better records are being kept for Audits. Penny Mahoney will ensure that nothing is posted to the grant after the time is up. Laura Boldery and Robert Adams will be reviewing all reports and signing off on them to ensure this does not happen again.

The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Laura Boldery
Treas./Asst. to Supt

5-1-19

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

FINDING 2016-008 – Child Nutrition Cluster – Procurement & Suspension & Debarment

Fiscal year in which the finding initially occurred: FY12-13; FY13-14
Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Laura Boldery, Treasurer
Contact Phone Numbers 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirements . Due to turnover in staff all Compliance requirements have not been entirely implemented. Purchasing methods are being complied with applicable state and local requirements to the best of our ability. Purchasing procedures are being changed and implemented. A new Food Service Director is establishing new rules and procedures to implement better Internal control. Better records are being kept for Audits. The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Laura Boldery
Treas. / Asst. to Supt

5-1-19

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS May 1, 2019

FINDING 2016-009 – Child Nutrition Cluster – Equipment

Fiscal year in which the finding initially occurred: FY14-15; FY15-16
Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director
Contact Phone Numbers 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the equipment management compliance requirements . Purchasing methods are being complied with applicable state and local requirements to the best of our ability. Purchasing procedures are being changed and implemented. A new Child Nutrition Director is establishing new rules and procedures to implement better Internal control. Better records are being kept for Audits. The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Equipment records will record all acquisitions and disposals of equipment to the best of our ability. New forms have been printed for School Lunch and IT Department to be filled out and returned to central office. The form will record the addition or deletion of equipment with the cost value. It is the responsibility of the Child Nutrition Director and Technology Director to review and approve theis form. Quarterly reports of expenditures will be given to inventory/Fixed Asset Bookkeeper in Central Office to keep on file for future Audits. An inventory is scheduled to take place the summer of 2019.

Laura Boldery
Treasurer/Asst. to Supt.

5-1-19
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

May 1, 2019

FINDING 2016-0010 – Child Nutrition Cluster – Internal Control

Fiscal year in which the finding initially occurred: FY12-13; FY13-14

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director

Contact Phone Numbers 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the compliance requirements. Activities Allowed or Unallowed: Timesheets are being reviewed and signed by the Food Service Director or supervising official. Eligibility: Evidence of free and reduced applications are being checked more closely. Reporting: Review and approval process is in place for Free and Reduced Applications. Reporting, Special Tests and Provisions: Special Tests and Provisions are all being changed by the new Child Nutrition Director to better comply with state and federal regulations. Better records are being kept for Audits.

Paid Lunch Equity calculations are made from the accounting records of the School Lunch accounts given to the Treasurer by the Director. The Treasurer has been preparing the PLE. Due to the turnover of staff the Director or Assistant will be preparing the PLE. Upon completion the other employee will review and approve the process.

School Food Accounts: Monthly reports will be given to the Director of Child Nutrition monthly from the Central Office. The reports will show the revenues and expenses for the Director to review. Payroll distribution reports will be given to the Director to ensure only allowable costs were charged to the School Lunch fund. Better records will be kept on file for Audits.

Laura Boldery
Treasurer / Asst. to Supt.

5-1-19

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

May 1, 2019

FINDING 2016-011 – Child Nutrition Cluster –Allowable Costs/Cost Principals

Fiscal year in which the finding initially occurred: FY12-13; FY13-14

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director

Contact Phone Numbers 812-866-6254; 812-866-6253;

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and the Allowable Costs and Cost Principals to the best of our ability. New controls to ensure compliance are being investigated and implemented by the new Director to better comply with state and federal regulations. Better records are being kept for Audits.

Timesheets will reflect if/when an employee works more than one position by comments on the timesheet. All wages will come from the Cafeteria Fund payroll account. The Cafeteria Fund will be reimbursed for any food activities completed by other Departments. Payroll distribution reports will be reviewed, signed and dated by The Director.

The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Laura Boldery
Treasurer / Asst. to Syst.

5-1-19

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Lacie Deputy, Secretary
Narci Burress, Member
Jodi Gray, Member

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

Finding 2016-012 – Child Nutrition Cluster – Cash Management

Fiscal year in which the finding initially occurred: FY12-13; FY13-14
Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Payroll; Laura Boldery, Corporation Treasurer
Contact Phone Numbers: 812-866-6254

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and Cash Management to the best of our ability. New controls to ensure compliance are being investigated and implemented by the new Director to better comply with state and federal regulations. Better records are being kept for Audits.

At the end of each month, the Payroll Clerk will run a cafeteria cash balance verification report. This report will show the monthly cash balance compared to three months average expenses from the previous school year. This report will be reviewed, signed and dated by the payroll clerk, Director of Child Nutrition and the Corporation Treasurer. If an excess fund balance occurs, a plan will be submitted to IDOE by the Director with an explanation of how the school will reduce the fund balance to an acceptable level within one year by improving the quality of food served. The Director may purchase needed supplies, service or equipment. An explanation of what the school will do to ensure that an excessive fund balance will not occur in the future will be in the explanation to IDOE.

The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability.

Laura Boldery
Treasurer / Assist. to Supt.

5-1-19

DATE

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Interim Superintendent

Jeffrey L. Bates

Assistant To
Superintendent/
Corporation Treasurer

Laura Boldery

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Jodi Gray, Member

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
May 1, 2019**

FINDING 2016-013 – Special Education Cluster(IDEA) – Level of Effort

Fiscal year in which the finding initially occurred: FY14-15; FY15-16

Contact Person Responsible for Corrective Action: Laura Boldery, Treasurer; Linda Shepherd, Deputy Treasurer; Chris Trader, Special Education Treasurer; Melissa May, Bookkeeper

Contact Phone Numbers 812-866-6253; 812-866-6252

Status of Audit Finding:

The School Corporation is working to ensure compliance with requirements related to the grant agreement and maintenance of effort (MOE) requirements to the best of our ability. New controls to ensure compliance are being investigated and implemented by the School Corporation to better comply with state and federal regulations. Better records are being kept for Audits.

Excess costs for the (MOE) will have documentation as to why disbursement are excess costs for special education. The expenditure accounts used will be consistent unless it was an allowable exclusion or adjustment as to the best of our ability. The Special Education Director will be completing the MOE from our Central Office Records with the help of the Corporation Treasurer or Deputy Treasurer or bookkeeper. Records will be kept for proof of obtaining the amounts used on the MOE report. Moe report will be reviewed and signed by above prior to submission.

The School Corporation is working on establishing controls to ensure compliance with the grant agreement and compliance requirements to the best of our ability

Laura Boldery
Treasurer / Assistant to Supt.

5-1-19

DATE

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Laura Boldery

May 16, 2019

CORRECTIVE ACTION PLAN

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Lacie Deputy, Secretary
Narci Burress, Member
Jodi Gray, Member

FINDING 2018-001

Contact Person Responsible for Corrective Action: Penny Mahoney, Federal Bookkeeper; Melissa May, Federal Bookkeeper (part-time); Laura Boldery, Corporation Treasurer; Katie King, Child Nutrition Director
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

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

The Federal Bookkeeper will be filling out the SEFA report. She will run reports to support the numbers and keep in a binder for review. The Child Nutrition Director will provide the SEFA information and supporting documentation to the Federal Bookkeeper. A SEFA folder will be kept with all information in Central Office for review. The previous Federal Bookkeeper works part-time to help with our internal control. She will be reviewing all SEFA information prior to entering. The Treasurer will check the SEFA and documentation and approve prior to the Federal Bookkeeper submitting the report. A form will be kept in the SEFA folder with all signatures of persons reviewing the information for correctness.

Anticipated Completion Date:

This procedure was to begin January 1, 2019 after our Audit and training of new personnel.

Laura Boldery
(Signature)

Treasurer/Asst. to Supt.
(Title)

5-16-19
(Date)

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May 16, 2019

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Lacie Deputy, Secretary
Narci Burress, Member
Jodi Gray, Member

FINDING 2018-002

Contact Person Responsible for Corrective Action: Penny Mahoney, Federal Bookkeeper; Melissa May, Federal Bookkeeper (part-time); Laura Boldery, Corporation Treasurer; Linda Shepherd, Asst. Treas.
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Bank statements are done by one person, checked and approved by another person. It is always noted if the reconciliation is off and that is noted by the signing of the second person. As time allows the amount will be found and corrected the next month.

Lack of Segregation of Duties – Receipts: The Assistant Treasurer prepares the Deposit slips. The Fed. Bkcp. takes Deposits to Bank. PT. Bkcp prints, posts receipts. The Treas. approves the receipts and signs each one. Receipts are then posted into Komputrol by one of us. Preschool receipts are kept in a separate log and accounting procedures according to Auditors recommendations.

Payroll: Timesheets are being used and signed by the supervisor of the employee. Payroll Secretary checks and prepares Komputrol trial journal. The former payroll secretary checks the trail journal and employee pay rates for accuracy and signs off. Checks are then printed.

Central office personnel will begin a closer check on preschool accounting. Credit card processing and bookkeeping is being changed.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin January 1, 2019 after our Audit and training of new personnel.

Laura Boldery
(Signature)

Treasurer/Asst. to Dept.
(Title)

5-16-19
(Date)

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Jodi Gray, Member

Assistant To
Superintendent/
Corporation Treasurer
Laura Boldery

May 16, 2019

CORRECTIVE ACTION PLAN

FINDING 2018-003

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation Treasurer; Linda Shepherd, assistant Treasurer.

Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Activities: Monthly reports will be run and sent from Central Office to the Child Nutrition Director to ensure all expenditures charged to the program were related to allowable activities. Timesheets will be used to support the payroll expenses paid from School Lunch funds. The timesheets will be reviewed and signed by the Child Nutrition Director or supervising official.

Cash Management: Monthly reports above will be kept on file to determine compliance with the cash management requirements.

Eligibility: The Child Nutrition Director and Assistant will be approving all applications. Quarterly the file will be reviewed by someone in the Central Office with signatures on the ones being checked. The cafeteria will keep all verifications on file for future audits.

Program Income: After examples from the Auditor as to how to record the student subsidiary account balance to agree with the control account balance a new procedure will be used. Any credit card sales will be recorded as of the time of the activity or shown as outstanding on the bank statement balancing. Adjustments made will be approved by another person in the office.

Reporting: Monthly reimbursement claims, annual financial reports, and the NSLP reports will try to be prepared by one person and submitted by another person in the cafeteria office for better internal control.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer Asst. to Supt.
(Title)

5-16-19
(Date)

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Laura Boldery

May 16, 2019

CORRECTIVE ACTION PLAN

Board of School Trustees

Richard Stockdale, President
John Jones, Vice-President
Lacie Deputy, Secretary
Narci Burress, Member
Jodi Gray, Member

FINDING 2018-004

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation Treasurer; Linda Shepherd, assistant Treasurer.

Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Allowable Costs/Cost Principals: Monthly financial reports will be given to the Child Nutrition Director for her or her assistant to review the expenditures for compliance requirements. Purchases will be closely monitored in order to try to expend according to the grant agreement. Records will be kept on file certifying this corrective action.

Documentation will be on file explaining the computation used for salary expenses charged to the School Lunch Fund along with utility costs.

Employees working on more than one Federal award or other job will keep separate timesheets signed by each supervisor. The timesheets will be on file for review.

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer / Asst. to Supt.
(Title)

5-16-19
(Date)

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May 16, 2019

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Board of School Trustees

Richard Stockdale, President
John Jones, Vice-President
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Narci Burress, Member
Jodi Gray, Member

FINDING 2018-005

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation; Cathy Bear, Inventory & Fixed Assets; Treasurer; Linda Shepherd, Assistant Treasurer.
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253; 812-866-6251

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Management requirements: Equipment records will record all acquisitions and disposals of equipment to the best of our ability. New forms have been printed for School Lunch and IT Department to be filled out and returned to central office. The form will record the addition or deletion of equipment with the cost value. It is the responsibility of the Child Nutrition Director and Technology Director to review and approve this form. Quarterly reports of expenditures will be given to Inventory/Fixed Asset Bookkeeper in Central Office to keep on file for future Audits

Inventory: An inventory is scheduled to take place the summer of 2019.

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer/Asst. to Supt.
(Title)

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(Date)

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Jodi Gray, Member

May 16, 2019

CORRECTIVE ACTION PLAN

FINDING 2018-006

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation; Cathy Bear, Inventory & Fixed Assets; Treasurer; Linda Shepherd, Assistant Treasurer.
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253; 812-866-6251

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Procurement: A new Child Nutrition Director has been hired with an Assistant. The Procurement Policy was explained to them during this Audit. The Director or Assistant is responsible for the preparation, distribution and review of the bid packets sent to vendors. The other Director or Assistant will verify that the School Corporation is adhering to grant requirements over procurement.

The Procurement Policy is being revised to conform to the 2 cfr 200.320 standards. Written standards covering conflicts of interest governing performance of its employees engaged in the selection, award, and administration of contracts are being updated by the Director as well as a policy. A history is to be kept by the Director.

Suspension and Debarment: The Child Nutrition Director or Assistant will check the suspension or debarment of vendors list prior to bidding. A Policy will be worked on and supporting documentation will be kept for audit review.

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer / Asst. to Supt.
(Title)

5-16-19
(Date)

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May 16, 2019

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Narci Burress, Member
Jodi Gray, Member

FINDING 2018-007

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation; Cathy Bear, Inventory & Fixed Assets; Treasurer; Linda Shepherd, Assistant Treasurer.
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253; 812-866-6251

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Special Tests and Provisions: The Child Nutrition Director and Assistant will obtain and review the monthly reports for revenue history, expenditure history and payroll to ensure all revenue was accounted for within the School Lunch Fund and only allowable costs were charged to the fund.

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer/Asst. to Supt.
(Title)

5-16-19
(Date)

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CORRECTIVE ACTION PLAN

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Lacie Deputy, Secretary
Narci Burress, Member
Jodi Gray, Member

FINDING 2018-008

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation; Cathy Bear, Inventory & Fixed Assets; Treasurer; Linda Shepherd, Assistant Treasurer.
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253: 812-866-6251

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan:

Special Tests and Provisions – Paid Lunch Equity: The Child Nutrition Director and Assistant will obtain the information for the PLE. One of them will complete the report. The other one will review and approve the PLE prior to submission. All worksheets will be kept for Audit review.

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer / Asst. to Supt.
(Title)

5-16-19
(Date)

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Jodi Gray, Member

May 16, 2019

Assistant To
Superintendent/
Corporation Treasurer
Laura Boldery

CORRECTIVE ACTION PLAN

FINDING 2018-009

Contact Person Responsible for Corrective Action: Katie King, Child Nutrition Director; Penny Mahoney, Federal Bookkeeper & Payroll;; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation; Cathy Bear, Inventory & Fixed Assets; Treasurer; Linda Shepherd, Assistant Treasurer.
Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253; 812-866-6251

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan

Maintenance of Effort: Chris Trader, Treasurer, of Madison Area Special Services has helped complete the MOE from our records made available when he comes to our office to help the Assistant Treasurer who does the actual calculations. A step by step guide will be made available for completion of the report. All backup materials will be filed for future Audit reviews. The final report will be reviewed and approved by someone other than the preparer prior to submission.:

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer / Asst. To Supt.
(Title)

5-16-19
(Date)

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Board of School Trustees

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John Jones, Vice-President
Lacie Deputy, Secretary
Narci Burress, Member
Jodi Gray, Member

FINDING 2018-010

Contact Person Responsible for Corrective Action: Chris Trader, Treasurer of Madison Educational Special Services Unit; Melissa May, Bookkeeper (part-time); Laura Boldery, Corporation Treasurer; Linda Shepherd, Assistant Treasurer.

Contact Phone Number: 812-866-1235; 812-866-6252; 812-866-6254; 812-866-6253; 812-866-6251

Views of Responsible Official: We concur with the Finding.

Description of Corrective Action Plan

Procurement: The Procurement Policy for Southwestern Schools is being revised to conform to standards. The Special Services Coop will work on verifying that they are adhering to grant requirements by checking to be sure no vendor is on the list for suspension or debarment.

If small purchases procedures are used, price or rate quotations will be obtained from an adequate number of qualified sources. Proposals will be obtained from more than one vendor to ensure compliance with the grant agreement and the Procurement compliance requirement.

Internal control will be a process continually being worked on for compliance in every area.

Anticipated Completion Date: Changes are being worked on daily. This procedure was to begin May 1, 2019 after our Audit and training of new procedures and personnel..

Laura Boldery
(Signature)

Treasurer / Asst. to Syst.
(Title)

5-16-19
(Date)

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OTHER REPORTS

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