

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SWITZERLAND COUNTY SCHOOL CORPORATION
SWITZERLAND COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
06/17/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	18-29
Schedule of Payables and Receivables	31
Schedule of Leases and Debt	32
Schedule of Capital Assets.....	33
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	36-38
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	40-41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43-53
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	56-59
Corrective Action Plan	60-62
Other Reports.....	63

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Wilma Rosenberger	07-01-16 to 06-30-19
Superintendent of Schools	Michael L. Jones Rodney Hite	07-01-16 to 06-30-18 07-01-18 to 06-30-19
President of the School Board	Kathryn M. Collier	07-01-16 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SWITZERLAND COUNTY SCHOOL
CORPORATION, SWITZERLAND 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 Switzerland County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated 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 item 2018-001, that we consider to be a material weakness.

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

Compliance and Other Matters


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

Switzerland County 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

(This page intentionally left blank.)

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.

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

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 1,159,820	\$ 10,276,798	\$ 10,806,092	\$ 60,402	\$ 690,928	\$ 10,162,777	\$ 10,397,003	\$ 39,001	\$ 495,703
Debt Service	123,255	442,123	440,832	-	124,546	994,071	660,511	-	458,106
Capital Projects	769,756	1,783,299	1,608,132	61	944,984	1,804,292	1,664,554	-	1,084,722
School Transportation	659,957	1,373,213	1,075,967	-	957,203	1,520,733	1,524,608	-	953,328
School Bus Replacement	945,070	230,783	715,876	7,000	466,977	246,192	404,396	1,500	310,273
Rainy Day	1,238,227	1,720	422,346	-	817,601	1,653	-	-	819,254
JC Construction	51,166	-	51,166	-	-	-	-	-	-
School Lunch	186,525	768,658	785,785	-	169,398	773,733	813,233	-	129,898
Textbook Rental	119,686	324,782	343,172	(60,402)	40,894	247,759	398,169	(33,240)	(142,756)
Educational License Plates	511	38	-	-	549	75	-	-	624
Alternative Educ 2016-17	-	3,500	3,485	-	15	-	15	-	-
Alternative Educ 2017-18	-	-	-	-	-	10,443	3,578	-	6,865
Early Intervention 2016	-	13,986	13,986	-	-	-	-	-	-
Early Intervention 2016-17	-	8,408	-	-	8,408	-	8,408	-	-
Early Intervention 2017-18	-	-	-	-	-	8,514	756	-	7,758
Lilly Counseling Plan Grant	-	30,000	12,250	-	17,750	-	13,905	-	3,845
Endowment Reimbursement	-	611	611	-	-	-	-	-	-
Action For Healthy Kids	126	-	126	-	-	-	-	-	-
Comm Found Designated Endowment Fund 14-15	14,019	7,500	1,039	-	20,480	10,000	10,013	-	20,467
Vevay Switz Foundation 2015-16	343	1,100	1,433	-	10	-	10	-	-
Vevay Switz Foundation 2016-17	-	41,147	38,546	-	2,601	-	2,601	-	-
Vevay Switz Foundation 2017-18	-	-	-	-	-	49,830	42,770	-	7,060
Community Foundation 2012-13	2,200	-	1,423	-	777	-	777	-	-
Community Foundation 2014-15	870	-	751	-	119	-	119	-	-
Community Foundation 2016-17	-	3,632	3,632	-	-	-	-	-	-
Community Foundation 2017-18	-	-	-	-	-	17,605	16,817	-	788
Community Mental Health PBIS	-	25,000	17,958	-	7,042	2,500	12,932	-	(3,390)
Community Ed Skill Up	-	1,882	4,616	-	(2,734)	4,888	2,154	-	-
Fuel Up to Play 60	-	-	-	-	-	3,400	3,400	-	-
SCAN Equipping Minds Grant	-	2,349	-	-	2,349	-	2,000	-	349
Formative Assessment 2017-18	-	19,574	19,574	-	-	18,076	18,076	-	-
Secured Schools Safety Grant 2016-17	(50,000)	50,000	50,000	-	(50,000)	50,000	-	-	-

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

Fund	Cash and Investments	Receipts	Disbursements	Other Financing	Cash and Investments	Receipts	Disbursements	Other Financing	Cash and Investments
	07-01-16			Sources (Uses)	06-30-17			Sources (Uses)	06-30-18
Secured Schools Safety Grant 2017-18	-	-	-	-	-	-	50,000	-	(50,000)
School Technology	174,574	132,481	17,915	-	289,140	94,293	38,610	-	344,823
Community Foundation Tech Fund 2012-13	500	-	500	-	-	-	-	-	-
Community Foundation Tech Fund 2015-16	33,935	-	33,599	-	336	-	336	-	-
Community Foundation Tech Fund 2016-17	75,000	-	61,642	-	13,358	-	10,184	-	3,174
Community Foundation Tech Fund 2017-18	-	75,000	-	-	75,000	-	45,871	-	29,129
Community Foundation Tech Fund 2018-19	-	-	-	-	-	80,000	-	-	80,000
Career and Technical Performance Grant 2016-17	-	10,526	10,518	-	8	17,982	13,929	-	4,061
Perf Based Awards TAG 2017	-	-	-	-	-	43,488	43,488	-	-
Digital Learning Grant 2017-18	-	-	-	-	-	-	53,342	-	(53,342)
Project Lead the Way Biomed 2015-18	705	-	3,234	-	(2,529)	5,000	405	-	2,066
Title I 2015-16	(157,326)	328,424	171,098	-	-	-	-	-	-
Title I 2016-17	-	239,671	304,221	-	(64,550)	194,039	129,489	-	-
Title I 2017-18	-	-	-	-	-	281,130	446,349	12,000	(153,219)
Nutritional Grant St PI 95-166	7,194	7,992	10,837	-	4,349	7,050	6,304	-	5,095
Medicaid Reimbursement - Federal	15,976	49,095	35,683	-	29,388	25,791	54,464	(5,762)	(5,047)
21st Century Learning Ctr 2017-18	-	-	21,218	-	(21,218)	222,213	203,221	-	(2,226)
Title IIA Teacher Quality FY 2014	(25,823)	31,965	6,142	-	-	-	-	-	-
Title IIA Teacher Quality FY 2015	(9,031)	47,372	46,446	-	(8,105)	27,271	19,166	-	-
Title IIA Teacher Quality FY 2016	-	-	-	-	-	19,230	62,762	-	(43,532)
Title IIA Teacher Quality FY 2017	-	-	-	-	-	-	-	(12,000)	(12,000)
Title VIB Rural School FY 14	(10,129)	13,997	3,868	-	-	-	-	-	-
Title VIB Rural School FY 15	-	20,706	26,746	-	(6,040)	10,715	4,675	-	-
Title VIB Rural School FY 16	-	-	-	-	-	-	34,015	-	(34,015)
Payroll Funds	402	2,567,816	2,568,218	-	-	2,588,491	2,587,896	-	595
Pre-Paid Food	7,262	283,313	258,845	-	31,730	265,399	263,588	-	33,541
Totals	\$ 5,334,770	\$ 19,218,461	\$ 19,999,528	\$ 7,061	\$ 4,560,764	\$ 19,808,633	\$ 20,068,899	\$ 1,499	\$ 4,301,997

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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.

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30 2017 and 2018. However, the Textbook Rental fund is also negative. This is a result of textbooks being paid from the School Corporation's endowment in the subsequent period.

Note 8. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: \$3,500 per year into a retirement account for a maximum of 5 years for eligible certified retirees and \$2,500 per year towards health insurance premiums for qualifying certified retirees. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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.

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	JC Construction	School Lunch	Textbook Rental	Educational License Plates
Cash and investments - beginning	\$ 1,159,820	\$ 123,255	\$ 769,756	\$ 659,957	\$ 945,070	\$ 1,238,227	\$ 51,166	\$ 186,525	\$ 119,686	\$ 511
Receipts:										
Local sources	61,291	442,123	1,783,299	1,373,138	230,783	1,720	-	289,062	264,220	-
Intermediate sources	49	-	-	-	-	-	-	-	-	38
State sources	10,215,458	-	-	-	-	-	-	6,135	60,562	-
Federal sources	-	-	-	-	-	-	-	473,461	-	-
Other receipts	-	-	-	75	-	-	-	-	-	-
Total receipts	10,276,798	442,123	1,783,299	1,373,213	230,783	1,720	-	768,658	324,782	38
Disbursements:										
Instruction	7,503,108	-	-	-	-	-	-	-	-	-
Support services	3,246,964	-	877,468	1,075,967	715,876	-	-	83	343,172	-
Noninstructional services	56,020	-	-	-	-	-	-	785,702	-	-
Facilities acquisition and construction	-	-	730,664	-	-	422,346	51,166	-	-	-
Debt service	-	440,832	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,806,092	440,832	1,608,132	1,075,967	715,876	422,346	51,166	785,785	343,172	-
Excess (deficiency) of receipts over disbursements	(529,294)	1,291	175,167	297,246	(485,093)	(420,626)	(51,166)	(17,127)	(18,390)	38
Other financing sources (uses):										
Sale of capital assets	-	-	61	-	7,000	-	-	-	-	-
Transfers in	60,402	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(60,402)	-
Total other financing sources (uses)	60,402	-	61	-	7,000	-	-	-	(60,402)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(468,892)	1,291	175,228	297,246	(478,093)	(420,626)	(51,166)	(17,127)	(78,792)	38
Cash and investments - ending	\$ 690,928	\$ 124,546	\$ 944,984	\$ 957,203	\$ 466,977	\$ 817,601	\$ -	\$ 169,398	\$ 40,894	\$ 549

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

	Alternative Educ 2016-17	Alternative Educ 2017-18	Early Intervention 2016	Early Intervention 2016-17	Early Intervention 2017-18	Lilly Counseling Plan Grant	Endowment Reimbursement	Action For Healthy Kids	Comm Found Designated Endowment Fund 14-15	Vevay Switz Foundation 2015-16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126	\$ 14,019	\$ 343
Receipts:										
Local sources	-	-	-	-	-	30,000	611	-	7,500	1,100
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	3,500	-	13,986	8,408	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	3,500	-	13,986	8,408	-	30,000	611	-	7,500	1,100
Disbursements:										
Instruction	3,485	-	7,000	-	-	-	-	126	1,039	1,083
Support services	-	-	6,986	-	-	12,250	-	-	-	350
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	611	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,485	-	13,986	-	-	12,250	611	126	1,039	1,433
Excess (deficiency) of receipts over disbursements	15	-	-	8,408	-	17,750	-	(126)	6,461	(333)
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	15	-	-	8,408	-	17,750	-	(126)	6,461	(333)
Cash and investments - ending	\$ 15	\$ -	\$ -	\$ 8,408	\$ -	\$ 17,750	\$ -	\$ -	\$ 20,480	\$ 10

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

	Vevay Switz Foundation 2016-17	Vevay Switz Foundation 2017-18	Community Foundation 2012-13	Community Foundation 2014-15	Community Foundation 2016-17	Community Foundation 2017-18	Community Mental Health PBIS	Community Ed Skill Up	Fuel Up to Play 60	SCAN Equipping Minds Grant
Cash and investments - beginning	\$ -	\$ -	\$ 2,200	\$ 870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	41,147	-	-	-	3,632	-	-	1,882	-	2,349
Intermediate sources	-	-	-	-	-	-	25,000	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	41,147	-	-	-	3,632	-	25,000	1,882	-	2,349
Disbursements:										
Instruction	24,357	-	1,423	-	3,632	-	226	4,322	-	-
Support services	189	-	-	751	-	-	15,733	294	-	-
Noninstructional services	-	-	-	-	-	-	1,999	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	14,000	-	-	-	-	-	-	-	-	-
Total disbursements	38,546	-	1,423	751	3,632	-	17,958	4,616	-	-
Excess (deficiency) of receipts over disbursements	2,601	-	(1,423)	(751)	-	-	7,042	(2,734)	-	2,349
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,601	-	(1,423)	(751)	-	-	7,042	(2,734)	-	2,349
Cash and investments - ending	\$ 2,601	\$ -	\$ 777	\$ 119	\$ -	\$ -	\$ 7,042	\$ (2,734)	\$ -	\$ 2,349

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

	Formative Assessment 2017-18	Secured Schools Safety Grant 2016-17	Secured Schools Safety Grant 2017-18	School Technology	Community Foundation Tech Fund 2012-13	Community Foundation Tech Fund 2015-16	Community Foundation Tech Fund 2016-17	Community Foundation Tech Fund 2017-18	Community Foundation Tech Fund 2018-19	Career and Technical Performance Grant 2016-17
Cash and investments - beginning	\$ -	\$ (50,000)	\$ -	\$ 174,574	\$ 500	\$ 33,935	\$ 75,000	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	126,173	-	-	-	75,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	19,574	50,000	-	6,308	-	-	-	-	-	1,965
Federal sources	-	-	-	-	-	-	-	-	-	8,561
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	19,574	50,000	-	132,481	-	-	-	75,000	-	10,526
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	10,518
Support services	19,574	50,000	-	17,915	500	33,599	16,778	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	44,864	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	19,574	50,000	-	17,915	500	33,599	61,642	-	-	10,518
Excess (deficiency) of receipts over disbursements	-	-	-	114,566	(500)	(33,599)	(61,642)	75,000	-	8
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	-	-	-	114,566	(500)	(33,599)	(61,642)	75,000	-	8
Cash and investments - ending	\$ -	\$ (50,000)	\$ -	\$ 289,140	\$ -	\$ 336	\$ 13,358	\$ 75,000	\$ -	\$ 8

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

	Perf Based Awards TAG 2017	Digital Learning Grant 2017-18	Project Lead the Way Biomed 2015-18	Title I 2015-16	Title I 2016-17	Title I 2017-18	Nutritional Grant St PI 95-166	Medicaid Reimbursement - Federal	21st Century Learning Ctr 2017-18	Title IIA Teacher Quality FY 2014
Cash and investments - beginning	\$ -	\$ -	\$ 705	\$ (157,326)	\$ -	\$ -	\$ 7,194	\$ 15,976	\$ -	\$ (25,823)
Receipts:										
Local sources	-	-	-	-	-	-	370	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	328,424	239,671	-	7,622	49,095	-	31,965
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	328,424	239,671	-	7,992	49,095	-	31,965
Disbursements:										
Instruction	-	-	-	127,534	243,571	-	-	34,585	-	6,142
Support services	-	-	3,234	39,948	55,356	-	-	-	21,218	-
Noninstructional services	-	-	-	3,616	5,294	-	10,837	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	1,098	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,234	171,098	304,221	-	10,837	35,683	21,218	6,142
Excess (deficiency) of receipts over disbursements	-	-	(3,234)	157,326	(64,550)	-	(2,845)	13,412	(21,218)	25,823
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	-	-	(3,234)	157,326	(64,550)	-	(2,845)	13,412	(21,218)	25,823
Cash and investments - ending	\$ -	\$ -	\$ (2,529)	\$ -	\$ (64,550)	\$ -	\$ 4,349	\$ 29,388	\$ (21,218)	\$ -

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

	Title IIA Teacher Quality FY 2015	Title IIA Teacher Quality FY 2016	Title IIA Teacher Quality FY 2017	Title VIB Rural School FY 14	Title VIB Rural School FY 15	Title VIB Rural School FY 16	Payroll Funds	Pre-Paid Food	Totals
Cash and investments - beginning	\$ (9,031)	\$ -	\$ -	\$ (10,129)	\$ -	\$ -	\$ 402	\$ 7,262	\$ 5,334,770
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,735,400
Intermediate sources	-	-	-	-	-	-	-	-	25,087
State sources	-	-	-	-	-	-	-	-	10,385,896
Federal sources	47,372	-	-	13,997	20,706	-	-	-	1,220,874
Other receipts	-	-	-	-	-	-	2,567,816	283,313	2,851,204
Total receipts	47,372	-	-	13,997	20,706	-	2,567,816	283,313	19,218,461
Disbursements:									
Instruction	37,747	-	-	-	-	-	-	-	8,009,898
Support services	8,699	-	-	3,868	26,746	-	-	-	6,593,518
Noninstructional services	-	-	-	-	-	-	-	-	863,468
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,250,749
Debt service	-	-	-	-	-	-	-	-	440,832
Nonprogrammed charges	-	-	-	-	-	-	2,568,218	258,845	2,841,063
Total disbursements	46,446	-	-	3,868	26,746	-	2,568,218	258,845	19,999,528
Excess (deficiency) of receipts over disbursements	926	-	-	10,129	(6,040)	-	(402)	24,468	(781,067)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	7,061
Transfers in	-	-	-	-	-	-	-	-	60,402
Transfers out	-	-	-	-	-	-	-	-	(60,402)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	7,061
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	926	-	-	10,129	(6,040)	-	(402)	24,468	(774,006)
Cash and investments - ending	\$ (8,105)	\$ -	\$ -	\$ -	\$ (6,040)	\$ -	\$ -	\$ 31,730	\$ 4,560,764

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	JC Construction	School Lunch	Textbook Rental	Educational License Plates
Cash and investments - beginning	\$ 690,928	\$ 124,546	\$ 944,984	\$ 957,203	\$ 466,977	\$ 817,601	\$ -	\$ 169,398	\$ 40,894	\$ 549
Receipts:										
Local sources	50,490	994,071	1,804,292	1,519,435	246,192	1,653	-	284,685	185,275	-
Intermediate sources	66	-	-	-	-	-	-	-	-	75
State sources	10,112,221	-	-	-	-	-	-	6,121	62,484	-
Federal sources	-	-	-	-	-	-	-	482,927	-	-
Other receipts	-	-	-	1,298	-	-	-	-	-	-
Total receipts	10,162,777	994,071	1,804,292	1,520,733	246,192	1,653	-	773,733	247,759	75
Disbursements:										
Instruction	7,200,458	-	-	-	-	-	-	-	-	-
Support services	3,124,706	-	847,128	1,524,608	404,396	-	-	1,098	398,169	-
Noninstructional services	71,839	-	-	-	-	-	-	812,135	-	-
Facilities acquisition and construction	-	-	817,426	-	-	-	-	-	-	-
Debt service	-	660,511	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,397,003	660,511	1,664,554	1,524,608	404,396	-	-	813,233	398,169	-
Excess (deficiency) of receipts over disbursements	(234,226)	333,560	139,738	(3,875)	(158,204)	1,653	-	(39,500)	(150,410)	75
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	1,500	-	-	-	-	-
Transfers in	39,001	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(33,240)	-
Total other financing sources (uses)	39,001	-	-	-	1,500	-	-	-	(33,240)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(195,225)	333,560	139,738	(3,875)	(156,704)	1,653	-	(39,500)	(183,650)	75
Cash and investments - ending	\$ 495,703	\$ 458,106	\$ 1,084,722	\$ 953,328	\$ 310,273	\$ 819,254	\$ -	\$ 129,898	\$ (142,756)	\$ 624

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

	Alternative Educ 2016-17	Alternative Educ 2017-18	Early Intervention 2016	Early Intervention 2016-17	Early Intervention 2017-18	Lilly Counseling Plan Grant	Endowment Reimbursement	Action For Healthy Kids	Comm Found Designated Endowment Fund 14-15	Vevay Switz Foundation 2015-16
Cash and investments - beginning	\$ 15	\$ -	\$ -	\$ 8,408	\$ -	\$ 17,750	\$ -	\$ -	\$ 20,480	\$ 10
Receipts:										
Local sources	-	-	-	-	-	-	-	-	10,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	10,443	-	-	8,514	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	10,443	-	-	8,514	-	-	-	10,000	-
Disbursements:										
Instruction	15	3,578	-	8,408	756	-	-	-	10,013	10
Support services	-	-	-	-	-	13,905	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	15	3,578	-	8,408	756	13,905	-	-	10,013	10
Excess (deficiency) of receipts over disbursements	(15)	6,865	-	(8,408)	7,758	(13,905)	-	-	(13)	(10)
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	(15)	6,865	-	(8,408)	7,758	(13,905)	-	-	(13)	(10)
Cash and investments - ending	\$ -	\$ 6,865	\$ -	\$ -	\$ 7,758	\$ 3,845	\$ -	\$ -	\$ 20,467	\$ -

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

	Vevay Switz Foundation 2016-17	Vevay Switz Foundation 2017-18	Community Foundation 2012-13	Community Foundation 2014-15	Community Foundation 2016-17	Community Foundation 2017-18	Community Mental Health PBIS	Community Ed Skill Up	Fuel Up to Play 60	SCAN Equipping Minds Grant
Cash and investments - beginning	\$ 2,601	\$ -	\$ 777	\$ 119	\$ -	\$ -	\$ 7,042	\$ (2,734)	\$ -	\$ 2,349
Receipts:										
Local sources	-	49,830	-	-	-	17,605	-	4,888	3,400	-
Intermediate sources	-	-	-	-	-	-	2,500	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	49,830	-	-	-	17,605	2,500	4,888	3,400	-
Disbursements:										
Instruction	1,191	24,371	777	-	-	16,458	578	1,303	3,400	-
Support services	1,410	1,999	-	119	-	359	12,215	407	-	2,000
Noninstructional services	-	-	-	-	-	-	139	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	16,400	-	-	-	-	-	444	-	-
Total disbursements	2,601	42,770	777	119	-	16,817	12,932	2,154	3,400	2,000
Excess (deficiency) of receipts over disbursements	(2,601)	7,060	(777)	(119)	-	788	(10,432)	2,734	-	(2,000)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,601)	7,060	(777)	(119)	-	788	(10,432)	2,734	-	(2,000)
Cash and investments - ending	\$ -	\$ 7,060	\$ -	\$ -	\$ -	\$ 788	\$ (3,390)	\$ -	\$ -	\$ 349

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

	Formative Assessment 2017-18	Secured Schools Safety Grant 2016-17	Secured Schools Safety Grant 2017-18	School Technology	Community Foundation Tech Fund 2012-13	Community Foundation Tech Fund 2015-16	Community Foundation Tech Fund 2016-17	Community Foundation Tech Fund 2017-18	Community Foundation Tech Fund 2018-19	Career and Technical Performance Grant 2016-17
Cash and investments - beginning	\$ -	\$ (50,000)	\$ -	\$ 289,140	\$ -	\$ 336	\$ 13,358	\$ 75,000	\$ -	\$ 8
Receipts:										
Local sources	-	-	-	86,523	-	-	-	-	80,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	18,076	50,000	-	7,770	-	-	-	-	-	4,060
Federal sources	-	-	-	-	-	-	-	-	-	13,922
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	18,076	50,000	-	94,293	-	-	-	-	80,000	17,982
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	13,929
Support services	18,076	-	50,000	38,610	-	-	10,184	45,871	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	336	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,076	-	50,000	38,610	-	336	10,184	45,871	-	13,929
Excess (deficiency) of receipts over disbursements	-	50,000	(50,000)	55,683	-	(336)	(10,184)	(45,871)	80,000	4,053
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	-	50,000	(50,000)	55,683	-	(336)	(10,184)	(45,871)	80,000	4,053
Cash and investments - ending	\$ -	\$ -	\$ (50,000)	\$ 344,823	\$ -	\$ -	\$ 3,174	\$ 29,129	\$ 80,000	\$ 4,061

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

	Perf Based Awards TAG 2017	Digital Learning Grant 2017-18	Project Lead the Way Biomed 2015-18	Title I 2015-16	Title I 2016-17	Title I 2017-18	Nutritional Grant St PI 95-166	Medicaid Reimbursement - Federal	21st Century Learning Ctr 2017-18	Title IIA Teacher Quality FY 2014
Cash and investments - beginning	\$ -	\$ -	\$ (2,529)	\$ -	\$ (64,550)	\$ -	\$ 4,349	\$ 29,388	\$ (21,218)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	189	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	43,488	-	5,000	-	-	-	-	-	-	-
Federal sources	-	-	-	-	194,039	281,130	6,861	25,791	222,213	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	43,488	-	5,000	-	194,039	281,130	7,050	25,791	222,213	-
Disbursements:										
Instruction	43,488	37,978	-	-	86,645	371,151	-	53,250	169,371	-
Support services	-	15,364	405	-	40,803	68,900	-	-	33,850	-
Noninstructional services	-	-	-	-	2,041	6,298	6,304	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	1,214	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	43,488	53,342	405	-	129,489	446,349	6,304	54,464	203,221	-
Excess (deficiency) of receipts over disbursements	-	(53,342)	4,595	-	64,550	(165,219)	746	(28,673)	18,992	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	12,000	-	11,813	-	-
Transfers out	-	-	-	-	-	-	-	(17,575)	-	-
Total other financing sources (uses)	-	-	-	-	-	12,000	-	(5,762)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(53,342)	4,595	-	64,550	(153,219)	746	(34,435)	18,992	-
Cash and investments - ending	\$ -	\$ (53,342)	\$ 2,066	\$ -	\$ -	\$ (153,219)	\$ 5,095	\$ (5,047)	\$ (2,226)	\$ -

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

	Title IIA Teacher Quality FY 2015	Title IIA Teacher Quality FY 2016	Title IIA Teacher Quality FY 2017	Title VIB Rural School FY 14	Title VIB Rural School FY 15	Title VIB Rural School FY 16	Payroll Funds	Pre-Paid Food	Totals
Cash and investments - beginning	\$ (8,105)	\$ -	\$ -	\$ -	\$ (6,040)	\$ -	\$ -	\$ 31,730	\$ 4,560,764
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,338,528
Intermediate sources	-	-	-	-	-	-	-	-	2,641
State sources	-	-	-	-	-	-	-	-	10,328,177
Federal sources	27,271	19,230	-	-	10,715	-	-	-	1,284,099
Other receipts	-	-	-	-	-	-	2,588,491	265,399	2,855,188
Total receipts	27,271	19,230	-	-	10,715	-	2,588,491	265,399	19,808,633
Disbursements:									
Instruction	12,685	54,493	-	-	-	-	-	-	8,114,306
Support services	6,481	8,269	-	-	4,675	34,015	-	-	6,708,022
Noninstructional services	-	-	-	-	-	-	-	-	898,756
Facilities acquisition and construction	-	-	-	-	-	-	-	-	818,976
Debt service	-	-	-	-	-	-	-	-	660,511
Nonprogrammed charges	-	-	-	-	-	-	2,587,896	263,588	2,868,328
Total disbursements	19,166	62,762	-	-	4,675	34,015	2,587,896	263,588	20,068,899
Excess (deficiency) of receipts over disbursements	8,105	(43,532)	-	-	6,040	(34,015)	595	1,811	(260,266)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	1,500
Transfers in	-	-	-	-	-	-	-	-	62,814
Transfers out	-	-	(12,000)	-	-	-	-	-	(62,815)
Total other financing sources (uses)	-	-	(12,000)	-	-	-	-	-	1,499
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,105	(43,532)	(12,000)	-	6,040	(34,015)	595	1,811	(258,767)
Cash and investments - ending	\$ -	\$ (43,532)	\$ (12,000)	\$ -	\$ -	\$ (34,015)	\$ 595	\$ 33,541	\$ 4,301,997

(This page intentionally left blank.)

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 380,022</u>	<u>\$ 10,492</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Prosource	Copier Lease	\$ 47,818	3/1/2013	7/31/2018
Total of annual lease payments		<u>\$ 47,818</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Jefferson Craig Addition 2015	\$ 865,000	\$ 113,551
General obligation bonds	Jefferson Craig QZAB Bonds 2009	630,000	103,483
General obligation bonds	Middle School Common School Fund 1999	<u>1,915,771</u>	<u>442,604</u>
Total governmental activities		<u>3,410,771</u>	<u>659,638</u>
Totals		<u>\$ 3,410,771</u>	<u>\$ 659,638</u>

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

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

	Ending Balance
Governmental activities:	
Land	\$ 414,615
Buildings	19,133,350
Improvements other than buildings	1,281,322
Machinery, equipment, and vehicles	4,741,879
Books and other	<u>579,051</u>
Total governmental activities	<u>26,150,217</u>
Total capital assets	<u><u>\$ 26,150,217</u></u>

(This page intentionally left blank.)

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 SWITZERLAND COUNTY SCHOOL
CORPORATION, SWITZERLAND COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-002, 2018-003, and 2018-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-002, 2018-003, 2018-004, and 2018-005, that we consider to be material weaknesses.

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

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

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


Paul D. Joyce, CPA
State Examiner

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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY17	\$ -	\$ 123,604	\$ -	\$ -
School Breakfast Program			FY18	-	-	-	120,373
Total - School Breakfast Program				-	123,604	-	120,373
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY17	-	349,857	-	-
School Lunch Program			FY18	-	-	-	353,769
After School Snack			FY18	-	-	-	8,786
Commodities			FY17	-	63,564	-	-
Commodities			FY18	-	-	-	140,727
Total - National School Lunch Program				-	413,421	-	503,282
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559					
Summer Food Service Program			FY17	-	7,622	-	-
Summer Food Service Program			FY18	-	-	-	6,861
Total - Summer Food Service Program for Children				-	7,622	-	6,861
Total - Child Nutrition Cluster				-	544,647	-	630,516
Total - Department of Agriculture				-	544,647	-	630,516
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Special Education Grants to States	Indiana Department of Education	84.027					
SSU Part B 611 FY 15			14215-038-PN01	-	99,994	-	-
SSU Part B 611 FY 16			14216-036-PN01	-	307,512	-	17,336
SSU Part B 611 FY 16			14216-138-PN01	-	-	-	28,394
SSU Part B 611 FY 17			14217-036-PN01	-	7,149	-	-
SSU Part B 611 FY 17			14217-140-PN01	-	-	-	317,815
SSU Part B 611 FY18			18611-036-PN01	-	-	-	6,880
Total - Special Education Grants to States				-	414,655	-	370,425
Special Education Preschool Grants							
Special Education Preschool Grants	Indiana Department of Education	84.173					
SSU Preschool FY16			45715-038-PN01	-	4,620	-	-
SSU Preschool 619 FY16			45716-036-PN01	-	13,560	-	305
SSU Preschool fy 17			45716-136-PN01	-	-	-	1,147
SSU Preschool fy 17			45717-036-PN01	-	1,882	-	-
SSU Preschool 619 FY 17			45717-140-PN01	-	-	-	14,721
Total - Special Education Preschool Grants				-	20,062	-	16,173
Total - Special Education Cluster (IDEA)				-	434,717	-	386,598

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 15-16 4116			16-7775	-	328,424	-	-
Title I 16-17 4117			17-7775	-	239,669	-	-
Title I 16-17 4117			17-7775	-	-	-	194,039
Title IA FY18 4118			18-7775	-	-	-	281,130
Total - Title I Grants to Local Educational Agencies				-	568,093	-	475,169
Twenty-First Century Community Learning Centers 21st Century 6608	Indiana Department of Education	84.287	S287C150014	-	-	-	222,213
Total - Twenty-First Century Community Learning Centers				-	-	-	222,213
Rural Education	Indiana Department of Education	84.358					
Title VI-B FY15 6877			7000SS358B15015	-	20,706	-	-
Title VI-B FY14 6877			7000SS358B14014	-	13,997	-	-
Title VI-B FY15 6877			7000SS358B15015	-	-	-	10,714
Total - Rural Education				-	34,703	-	10,714
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIA FY 14 6846			14-7775	-	31,965	-	-
Title IIA FY 15 6847			15-7775	-	47,372	-	-
Title IIA FY 15 6847			S367A150015	-	-	-	27,272
Title IIA FY16 6848			S367A160013	-	-	-	19,230
Total - Supporting Effective Instruction State Grants				-	79,337	-	46,502
Total - Department of Education				-	1,116,850	-	1,141,196
Total federal awards expended				\$ -	\$ 1,661,497	\$ -	\$ 1,771,712

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

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

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

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

SWITZERLAND COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

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

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

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

Section II - Financial Statement Findings

FINDING 2018-001

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

Repeat Finding

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

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).

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

The School Corporation had established 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; however, the controls were not effective. The Treasurer prepared and entered federal award information into Gateway. This information was reviewed by another business office employee prior to submission; however, material errors were undetected.

Context

The SEFA contained the following errors:

1. The Child Nutrition Cluster was understated by \$954,829.
2. The non-federal grants were included, which resulted in an overstatement of \$100,000.
3. The program titles 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 § 200.502 Basis for determining Federal awards expended. While not required, the auditee

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

may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

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

Cause

Management had not established an effective 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 and implement 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.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-002

Subject: Title I Grants to Local Educational Agencies - Procurement
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-7775, 17-7775, 18-7775
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 requirements of the Procurement and Suspension and Debarment compliance requirement. The School Corporation did not have internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320. The School Corporation did not obtain price or rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell under the small purchase procedures.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

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

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

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

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the procurement requirements of 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.

FINDING 2018-003

Subject: Title I Grants to Local Educational Agencies - Special Tests
and Provisions - Assessment System Security

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 16-7775, 17-7775, 18-7775

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Assessment System Security

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 Special Tests and Provisions - Assessment System Security compliance requirement. The School Corporation established a written test security policy. However, of the four schools in the School Corporation, one school did not retain the "Indiana Testing Security and Integrity Agreement" forms for the individuals who administered, handled, or had access to secure test materials for fiscal year 2016-2017.

Context

The lack of controls and noncompliance were isolated to one school for one year of the audit period.

SWITZERLAND COUNTY 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). . . ."

The administrative regulation 511 IAC 5-5-5 states in part:

". . . (b) Any individual who administers, handles, or has access to secure test materials at the school or school corporation shall complete assessment training and sign a testing security and integrity agreement to remain on file in the appropriate building level office each year."

2 CFR 200.333 states in part:

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

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Assessment System Security 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 - Assessment System Security 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 - Assessment System Security compliance requirement.

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

Views of Responsible Officials

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

FINDING 2018-004

Subject: Child Nutrition Cluster - Program Income, Cash Management, Eligibility
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): FY17, FY18
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Program Income, Cash Management, Eligibility
Audit Finding: Material Weakness

Repeat Finding

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

Condition

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

Program Income

The School Corporation had not established controls to ensure that receipts generated from the cafeteria sales were properly recorded. One employee recorded meal sales receipts to the School Lunch fund without an oversight, review, or approval process in place.

Cash Management

The School Corporation had not established adequate procedures to monitor the School Lunch fund monthly cash balance (net cash resources) to ensure that they were limited to three months average expenditures. The Food Service Director monitored the balance of the School Lunch fund, but not until the end of each school year.

Eligibility

The School Corporation had not established controls to ensure that only eligible students received benefits. The Food Service Director was solely responsible for identifying students who were direct certifications and entering those students into the cafeteria software with no oversight, review, or approval process in place.

Context

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

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Program Income, Cash Management, and Eligibility compliance requirements.

Effect

The failure to establish an effective internal control system could have enabled material non-compliance to go undetected.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish effective internal controls to ensure compliance with the grant agreement and the Program Income, Cash Management, and Eligibility compliance requirements.

Views of Responsible Officials

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

FINDING 2018-005

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY17, FY18
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

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

Repeat Finding

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. The School Corporation did not have internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320.

The School Corporation was unable to provide documentation that micro-purchases of less than \$3,500 were distributed among qualified suppliers. The School Corporation did not always obtain price or rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell under the small purchase procedures. The School Corporation did not always solicit competitive bids or requests for proposals for purchases exceeding \$150,000.

The School Corporation contracted with a third-party purchasing service for some food products, materials, and supplies. The School Corporation relied on the third-party to ensure vendors were not suspended or debarred, with no oversight, review, or approval process in place. For procurements outside of the purchasing service, the School Corporation did not retain documentation that they had verified the vendors were not suspended or debarred.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318(i) states:

"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."

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

2 CFR 200.320 states in part:

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

(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. . . .

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. . . .

(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 CFR 180.300 states:

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

You do this by:

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

- (a) Checking 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

The School Corporation's management had not implemented an adequate system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system 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 effective internal 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.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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

Switzerland County School Corporation

Switzerland Co. High School
1020 W. Main Street
Vevay, Indiana 47043

Office of Superintendent
1040 W. Main Street

Jefferson - Craig Elementary School
1002 W. Main Street
Vevay, Indiana 47043

Switzerland Co. Middle School
1004 W. Main Street
Vevay, Indiana 47043

Vevay, Indiana 47043
(812) 427-2611 / 2612
Fax (812) 427-2044

Switzerland Co. Elementary School
P.O. Box 87
East Enterprise, Indiana 47019

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Wilma Rosenberger, Business Manager
Contact Phone Number: 812-427-2673

Status of Audit Finding:

Beginning January 1, 2016 all receipts are signed by the treasurer. Receipts are keyed into the financial accounting system by the Business Office Assistant who will balance the edit to the receipts and sign it. For all manual deposits, a tape showing the total of the receipts will be signed. The deputy treasurer itemizes all items on the deposit ticket. The treasurer reconciles the bank statement which the superintendent signs.

FINDING 2016-002

Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Wilma Rosenberger, Business Manager
Contact Phone Number: 812-427-2673

Status of Audit Finding:

Beginning with the 2016-17 school year, when the federal grant information is uploaded into Gateway, the treasurer prints and signs the report. The Grant Coordinator reviews and signs the printed report.

FINDING 2016-003

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Fred Ross, Grants Coordinator
Contact Phone Number: 812-427-2611

Status of Audit Finding:

The Title I Director is responsible for revisions to the school wide plans and their submission to the state. School wide plans containing all required components were completed for the 2017-18 school year. These are signed by the Title I Director and reviewed and signed by either the Superintendent or the Building Principal.

Switzerland County School Corporation is committed to equal opportunity and does not discriminate on the basis of age, race, color, sex, handicapping conditions, or national origin including limited English proficiency, in any employment opportunity. No person is excluded from participation in, denied the benefits of, or otherwise subjected to unlawful discrimination on such basis under any educational program or student activity.

A Commitment To Excellence

www.switzerland.k12.in.us

FINDING 2016-004

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Fred Ross, Grants Coordinator
Contact Phone Number: 812-427-2611
Status of Audit Finding:

Beginning in August 2017, the Grants Coordinator maintains time and effort logs for employees requiring such documentation. He also keeps records of semi-annual certifications for employees who work on a single federal award or cost objective.

FINDING 2016-005

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Wilma Rosenberger, Business Manager and Marla Edwards, Guidance Counselor
Contact Phone Number: 812-427-2673 and 812-427-2626

Status of Audit Finding:

CASH MANAGEMENT:

The treasurer prepares the reimbursement requests and checks to be sure that the amounts being requested are for funds that were expended prior to the date of the reimbursement request. The grant coordinator verifies all requests. This began January, 2017.

PERIOD OF PERFORMANCE:

The treasurer prepares the reimbursement requests and checks to ensure that the amounts requested are for funds that were expenditures that occurred within the period of performance. The grants coordinator verifies all requests. This began January, 2017.

REPORTING:

The treasurer prepares the reimbursement requests and the annual financial report. The grants coordinator reviews all reports at or before submission. This began January, 2017.

SPECIAL TESTS AND PROVISIONS: HIGHLY QUALIFIED TEACHERS AND PARAPROFESSIONALS:
This requirement is no longer applicable.

SPECIAL TESTS AND PROVISIONS: ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE:
The high school guidance counselor obtains documentation to support a student's removal from the cohort. She meets monthly with the guidance secretary and the attendance secretary to review any enrollees and withdrawals for the month. They maintain documentation of requests for records for both. She provides information to the tech director for updates in STN. The tech director uploads student data and signs the changes. The guidance counselor keeps that with her cohort records. The high school principal or assistant verifies graduation rate information prior to submission of the annual report card. This was completed as of October, 2016.

FINDING 2016-006

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Wilma Rosenberger, Business Manager and Gayla Bullock, Food Service Director

Contact Phone Number: 812-427-2673 and 812-427-2626

Status of Audit Finding:

CASH MANAGEMENT:

The food service director monitors the net cash resources of the School Lunch fund to ensure that the amount does not exceed 3 months average expenditures. Oversight and review is provided by the corporation treasurer beginning May 2016. Beginning with the 2019-20 school year, cash balance will be reviewed by the treasurer and food service director quarterly instead of annually.

REPORTING:

Claims for reimbursement are prepared by the food service director. They are reviewed and signed by the café secretary. This began March 1, 2016. Annual financial reports continue to be submitted by the food service director and verified by the corporation treasurer. This review began October 3, 2017. Verification summary reports are prepared and submitted by the food service director and reviewed by the café secretary. This began May, 2016.

ELIGIBILITY:

Free and reduced lunch applications are processed and eligibility determined by the food service director. They are verified by the café secretary as of August, 2016.

PROGRAM INCOME:

Café collections for school lunch accounts are remitted monthly by the school ECA treasurers. Beginning March, 2018 the ECA treasurers include a signed monthly report showing daily cash collections. In addition, the business office calculates the café revenue for the month and provides revenue history for the month to the food service director. The food service director and treasurer will reconcile the prepaid balances to the individual accounts monthly beginning May 1, 2019.

SPECIAL TESTS AND PROVISIONS: VERIFICATIONS OF FREE AND REDUCED PRICE APPLICATIONS:

Verifications are completed by the café secretary and reviewed and approved by the food service director. This began November, 2016.

SPECIAL TESTS AND PROVISIONS: PAID LUNCH EQUITY

The annual calculation for paid lunch equity is prepared by the food service director. The documentation is reviewed and signed by the business manager. This was implemented May, 2016.

FINDING 2016-007

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Wilma Rosenberger, Business Manager
Contact Phone Number: 812-427-2673

Status of Audit Finding:

The business office is responsible for ensuring that contractors procured are not suspended or debarred. The business manager reviews online SAM exclusions to determine eligible vendors. This began May 2018. Procurements obtained thru the Wilson Center are reviewed by their procurement specialist. Beginning August, 2019 the business manager will provide oversight over those determinations.



(Signature)

Business Manager

(Title)

April 17, 2019

(Date)

Switzerland County School Corporation

Switzerland Co. High School
1020 W. Main Street
Vevay, Indiana 47043

Office of Superintendent
1040 W. Main Street

Jefferson - Craig Elementary School
1002 W. Main Street
Vevay, Indiana 47043

Switzerland Co. Middle School
1004 W. Main Street
Vevay, Indiana 47043

Vevay, Indiana 47043
(812) 427-2611 / 2612
Fax (812) 427-2044

Switzerland Co. Elementary School
P.O. Box 87
East Enterprise, Indiana 47019

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Wilma Rosenberger
Contact Phone Number: 812-467-2611

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Beginning with the 2018-19 financial report due August 2019, the Treasurer will provide the previous year's SEFA report to the reviewer for comparison. The current year's fund report will also be provided. The reviewer will be the Superintendent or the Grants Director. S/he will initial the reports for verification.

Anticipated Completion Date: August, 2019

FINDING 2018-002

Contact Person Responsible for Corrective Action: Wilma Rosenberger and Fred Ross
Contact Phone Number: 812-467-2611

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: To comply with Procurement Compliance, the Title I Director will provide 3 quotes for each purchase exceeding the micro purchase threshold. For sole source purchases, such documentation will be provided. The Treasurer will attach all documentation to the appropriate purchase order.

Anticipated Completion Date: May 15, 2019

Switzerland County School Corporation is committed to equal opportunity and does not discriminate on the basis of age, race, color, sex, handicapping conditions, or national origin including limited English proficiency, in any employment opportunity. No person is excluded from participation in, denied the benefits of, or otherwise subjected to unlawful discrimination on such basis under any educational program or student activity.

A Commitment To Excellence

www.switzerland.k12.in.us

FINDING 2018-003

Contact Person Responsible for Corrective Action: Wilma Rosenberger and Fred Ross
Contact Phone Number: 812-467-2611

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will keep the Indiana Testing Security and Integrity Agreement at the individual school during the current school year. At the end of each school year, the Agreement will be picked up and maintained by the Title I Director in his office.

Anticipated Completion Date: August, 2019

FINDING 2018-004

Contact Person Responsible for Corrective Action: Wilma Rosenberger and Gayla Bullock
Contact Phone Number: 812-467-2611

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Program Income: Treasurer will continue to print the monthly sales report for meals served at each building and transfer the appropriate funds from prepaid to café fund. Someone from the business office will review and initial each report to ensure accuracy.

Anticipated Completion Date: August, 2019

Cash Management: The previous year's café expenditures will be used to determine a 3 month average. The school lunch fund balance will be compared quarterly to the 3 month average expenditure. Both the Corporation Treasurer and the Food Service Director will sign these reports.

Anticipated Completion Date: August, 2019

Eligibility: The Food Service Director will continue to identify students who are direct certifications and entering those students' information into the cafeteria software. The café secretary will randomly select and check student lists provided by the state and the cafeteria software for accuracy.

Anticipated Completion Date: August, 2019

FINDING 2018-005

Contact Person Responsible for Corrective Action: Wilma Rosenberger and Gayla Bullock
Contact Phone Number: 812-467-2611

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Procurement: To comply with Procurement requirements, the Food Service Director will seek additional training and knowledge to enable her to improve the child nutrition procurement process. The Food Service Director will request 3 quotes for each purchase exceeding the micro purchase threshold. For sole source purchases, such documentation will be provided. Micro purchases will be purchased through multiple vendors using the following rationale for determining successful vendors: price (actual cost to SCSC), delivery options, and quality of goods and service. Controls will be put into place to insure that bids are solicited for large purchases above \$150,000. The Treasurer will attach all documentation to the appropriate purchase order.

Suspension and Debarment: The Food Service Director will be responsible for verifying that vendors with anticipated payments over \$25,000 are not on the suspended and debarred list. The agreement between SCSC and the vendor will contain a statement which certifies that the vendor is not on the suspended and debarred list. Agreements through Wilson Education Center with the suspension and debarment certification will be obtained and retained in local records.

Anticipated Completion Date: August, 2019.

Dilma Rosenberger
(Signature)

Treasurer
(Title)

5/16/19
(Date)

OTHER REPORTS

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