

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

DEKALB COUNTY EASTERN
COMMUNITY SCHOOL DISTRICT
DEKALB COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/19/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
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	5-6
Financial Statement:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement	10-14
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	16-27
Schedule of Long-Term Debt	28
Schedule of Capital Assets	29
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	32-33
Schedule of Expenditures of Federal Awards	36-37
Notes to Schedule of Expenditures of Federal Awards	38
Schedule of Findings and Questioned Costs	39
Exit Conference	40

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Philip Carpenter	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Jeffrey Stephens	07-01-10 to 06-30-13
President of the School Board	Leon Steury	07-01-10 to 06-30-13



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 DEKALB COUNTY EASTERN COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited the accompanying financial statement of the DeKalb County Eastern Community School District (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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, 2010 to June 30, 2012.

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, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 2013, 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 to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT
(Continued)

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 reports 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.

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 Long-Term 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.

STATE BOARD OF ACCOUNTS

February 5, 2013



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

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 DEKALB COUNTY EASTERN COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited the financial statement of the DeKalb County Eastern Community School District (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 5, 2013. 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.

Internal Control Over Financial Reporting

Management of the School Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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 entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 5, 2013

FINANCIAL STATEMENT

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.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10			Other Financing Sources (Uses)		Cash and Investments 06-30-11			Other Financing Sources (Uses)		Cash and Investments 06-30-12	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements		
General	\$ 430,562	\$ 9,402,543	\$ 9,221,057	\$ 143	\$ 612,191	\$ 9,255,186	\$ 9,081,225	\$ 5,148	\$ 791,300			
Debt Service	1,104,423	4,154,797	4,098,843	(91,296)	1,069,081	4,296,635	4,275,103	-	1,090,613			
Capital Projects	980,739	4,330,105	3,823,441	8,828	1,496,231	2,848,235	3,092,036	-	1,252,430			
School Transportation	668,486	1,479,275	1,483,679	(127,129)	536,953	1,502,143	1,502,409	-	536,687			
School Bus Replacement	121,387	260,844	356,633	732	26,330	192,524	156,677	-	62,177			
Rainy Day	1,060,000	-	103,318	255,000	1,211,682	-	10,850	-	1,200,832			
Construction	8,738	97,836	52,440	-	54,134	61	10,300	-	43,895			
School Lunch	298,072	680,684	584,144	-	394,612	691,311	644,381	-	441,542			
Textbook Rental	57,750	66,229	26,964	-	97,015	93,587	43,225	-	147,377			
Levy Excess	24,034	-	-	(24,034)	-	31,378	-	-	31,378			
Special Education Cooperative	1,459,022	3,941,149	3,509,655	-	1,890,516	3,312,567	4,133,755	1,600	1,070,928			
Coop Administrative Hearing	26,003	-	-	-	26,003	-	-	-	26,003			
Vocational Cooperative	-	-	-	-	-	4,064,778	3,335,683	-	729,095			
Educational License Plates	121	75	176	-	20	38	-	-	58			
SAFE School Haven	-	16,499	16,499	-	-	-	-	-	-			
Coop Donation	1,293	29,083	26,232	-	4,144	2,931	3,385	-	3,690			
Insurance Stabilization	50,124	87	16,728	-	33,483	41	-	-	33,524			
Teacher Grant	16,859	1,200	3,692	-	14,367	18,700	12,522	-	20,545			
High Ability 11-12	-	-	-	-	-	29,731	22,507	-	7,224			
High Ability 10-11	-	31,013	23,659	-	7,354	-	7,354	-	-			
Instruction Support	14,943	37,071	48,688	-	3,326	34,236	34,699	-	2,863			
Adult and Continuing Education	-	-	-	-	-	327,371	163,516	(30,712)	133,143			
Extra-Curricular Activities	57	1,074	1,074	-	57	3,410	3,410	-	57			
Non-English Speaking Programs P.L. 273-1999	384	-	-	-	384	-	384	-	-			
School Technology	-	5,590	4,193	-	1,397	5,590	5,589	-	1,398			
Technology Grants [IC 20-40-15]	1,103	-	1,103	-	-	-	-	-	-			
Vocational Coop Technology Grant	-	-	-	-	-	2,589	509	-	2,080			
Insurance Consortium	17,941	70,150	68,755	-	19,336	61,500	72,755	-	8,081			
Vocational Coop Administration	-	-	-	-	-	124,983	96,271	15,336	44,048			
Excess PTRC Distributions	22,101	-	-	(22,101)	-	-	-	-	-			

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Title I 10-11	-	49,526	55,179	11,782	6,129	168,237	167,341	(7,025)	-
Title I 11-12	-	-	-	-	-	19,737	90,139	7,023	(63,379)
Title I 09-10	113,411	8	101,637	(11,782)	-	-	-	-	-
Special Education IDEA Grant 10-11	-	3,417,404	3,202,447	-	214,957	1,335,119	1,550,076	-	-
Special Education Preschool 11-12	-	-	-	-	-	150,823	151,151	-	(328)
Special Education Preschool 10-11	-	147,485	147,485	-	-	-	-	-	-
Title IV, A 09-10	5,029	(2)	5,830	-	(803)	803	-	-	-
11-12 ABE Workforce Development Grant	-	-	-	-	-	235,085	384,691	30,712	(118,894)
2012 CLA WorkOne Microgrant	-	-	-	-	-	-	3,500	-	(3,500)
2012 MSSC WorkOne Microgrant	-	-	-	-	-	-	3,500	-	(3,500)
2012 NIMS WorkOne Microgrant	-	-	-	-	-	-	3,500	-	(3,500)
2012 Healthcare WorkOne Microgrant	-	-	-	-	-	-	3,500	-	(3,500)
Perkins Grant 11-12	-	-	-	-	-	268,535	276,988	-	(8,453)
Tech Prep	-	-	-	-	-	112,302	112,302	-	-
Special Education IDEA Grant 09-10	843,482	798,667	1,642,049	(100)	-	-	-	-	-
Special Education IDEA Grant 11-12	-	-	-	-	-	3,434,379	3,694,087	-	(259,708)
Title II, Part A 09-10	22,075	18,913	40,731	-	257	-	257	-	-
Title II, Part A 10-11	-	500	305	-	195	48,066	48,261	-	-
Title II, Part A 11-12	-	-	-	-	-	12,601	14,324	-	(1,723)
Title II, Part D 09-10	12,670	3	12,630	(43)	-	-	-	-	-
Title III, Language Instruction	-	-	-	-	-	528	528	-	-
ARRA Stimulus Title I	18,366	19,491	37,857	-	-	-	-	-	-
ARRA Stimulus Special Education IDEA Grant	35,522	1,426,325	1,399,847	-	62,000	636,291	698,291	-	-
ARRA Stimulus Special Education Preschool	113,209	68	48,753	-	64,524	30,000	94,524	-	-
Education Jobs Grant	-	-	-	-	-	298,306	298,306	-	-
Payroll Clearing	5	12,407,400	12,407,405	-	-	14,352,561	14,352,561	-	-
Prepaid Student Lunch Fees	6,357	18,722	17,794	-	7,285	18,366	17,392	-	8,259
Totals	\$ 7,534,268	\$ 42,909,814	\$ 42,590,922	\$ -	\$ 7,853,160	\$ 48,021,264	\$ 48,673,764	\$ 22,082	\$ 7,222,742

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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 which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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

Other receipts which include amounts received from various sources which include 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 which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

Transfers out which includes money 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 money 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 money 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 March 1 (lien date) 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.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent 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
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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. Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, 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.

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are 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 supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 430,562	\$ 1,104,423	\$ 980,739	\$ 668,486	\$ 121,387	\$ 1,060,000	\$ 8,738	\$ 298,072	\$ 57,750	\$ 24,034
Receipts:										
Local sources	61,805	2,329,904	2,404,868	1,170,734	218,214	-	97,836	327,445	27,569	-
Intermediate sources	34	-	-	-	-	-	-	-	-	-
State sources	9,105,598	-	-	-	-	-	-	7,455	38,660	-
Federal sources	162	-	-	-	-	-	-	345,784	-	-
Temporary loans	233,744	1,082,263	1,206,917	308,541	-	-	-	-	-	-
Interfund loans	-	742,630	700,000	-	42,630	-	-	-	-	-
Other	1,200	-	18,320	-	-	-	-	-	-	-
Total receipts	9,402,543	4,154,797	4,330,105	1,479,275	260,844	-	97,836	680,684	66,229	-
Disbursements:										
Current:										
Instruction	5,512,665	-	-	-	-	-	-	-	-	-
Support services	3,561,846	1,082	1,225,588	1,075,430	296,379	-	-	-	26,964	-
Noninstructional services	146,546	-	-	-	-	-	-	584,144	-	-
Facilities acquisition and construction	-	-	1,506,321	5,099	-	103,318	52,440	-	-	-
Debt services	-	3,355,131	391,532	403,150	17,624	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	742,630	700,000	-	42,630	-	-	-	-	-
Total disbursements	9,221,057	4,098,843	3,823,441	1,483,679	356,633	103,318	52,440	584,144	26,964	-
Excess (deficiency) of receipts over disbursements	181,486	55,954	506,664	(4,404)	(95,789)	(103,318)	45,396	96,540	39,265	-
Other financing sources (uses):										
Transfers in	143	8,704	8,828	27,871	732	255,000	-	-	-	-
Transfers out	-	(100,000)	-	(155,000)	-	-	-	-	-	(24,034)
Total other financing sources (uses)	143	(91,296)	8,828	(127,129)	732	255,000	-	-	-	(24,034)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	181,629	(35,342)	515,492	(131,533)	(95,057)	151,682	45,396	96,540	39,265	(24,034)
Cash and investments - ending	\$ 612,191	\$ 1,069,081	\$ 1,496,231	\$ 536,953	\$ 26,330	\$ 1,211,682	\$ 54,134	\$ 394,612	\$ 97,015	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Special Education Cooperative	Coop Administrative Hearing	Vocational Cooperative	Educational License Plates	SAFE School Haven	Coop Donation	Insurance Stabilization	Teacher Grant	High Ability 11-12	High Ability 10-11
Cash and investments - beginning	\$ 1,459,022	\$ 26,003	\$ -	\$ 121	\$ -	\$ 1,293	\$ 50,124	\$ 16,859	\$ -	\$ -
Receipts:										
Local sources	3,941,149	-	-	-	-	29,083	87	-	-	-
Intermediate sources	-	-	-	75	-	-	-	1,200	-	-
State sources	-	-	-	-	16,499	-	-	-	-	31,013
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	3,941,149	-	-	75	16,499	29,083	87	1,200	-	31,013
Disbursements:										
Current:										
Instruction	484,196	-	-	-	-	26,134	-	420	-	23,659
Support services	3,025,459	-	-	176	16,027	98	16,728	3,272	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	472	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,509,655	-	-	176	16,499	26,232	16,728	3,692	-	23,659
Excess (deficiency) of receipts over disbursements	431,494	-	-	(101)	-	2,851	(16,641)	(2,492)	-	7,354
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	431,494	-	-	(101)	-	2,851	(16,641)	(2,492)	-	7,354
Cash and investments - ending	\$ 1,890,516	\$ 26,003	\$ -	\$ 20	\$ -	\$ 4,144	\$ 33,483	\$ 14,367	\$ -	\$ 7,354

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Instruction Support	Adult and Continuing Education	Extra- Curricular Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Vocational Coop Technology Grant	Insurance Consortium	Vocational Coop Administration	Excess PTRC Distributions
Cash and investments - beginning	\$ 14,943	\$ -	\$ 57	\$ 384	\$ -	\$ 1,103	\$ -	\$ 17,941	\$ -	\$ 22,101
Receipts:										
Local sources	37,071	-	1,074	-	-	-	-	70,150	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	5,590	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	37,071	-	1,074	-	5,590	-	-	70,150	-	-
Disbursements:										
Current:										
Instruction	14,796	-	-	-	-	1,103	-	-	-	-
Support services	33,892	-	-	-	4,193	-	-	68,755	-	-
Noninstructional services	-	-	1,074	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	48,688	-	1,074	-	4,193	1,103	-	68,755	-	-
Excess (deficiency) of receipts over disbursements	(11,617)	-	-	-	1,397	(1,103)	-	1,395	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(22,101)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(22,101)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,617)	-	-	-	1,397	(1,103)	-	1,395	-	(22,101)
Cash and investments - ending	\$ 3,326	\$ -	\$ 57	\$ 384	\$ 1,397	\$ -	\$ -	\$ 19,336	\$ -	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I 10-11	Title I 11-12	Title I 09-10	Special Education IDEA Grant 10-11	Special Education Preschool 11-12	Special Education Preschool 10-11	Title IV, A 09-10	11-12 ABE Workforce Development Grant	2012 CLA WorkOne Microgrant	2012 MSSC WorkOne Microgrant
Cash and investments - beginning	\$ -	\$ -	\$ 113,411	\$ -	\$ -	\$ -	\$ 5,029	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	8	-	-	-	(2)	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	49,526	-	-	3,417,404	-	147,485	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	49,526	-	8	3,417,404	-	147,485	(2)	-	-	-
Disbursements:										
Current:										
Instruction	38,255	-	78,625	2,441,223	-	143,949	-	-	-	-
Support services	16,924	-	21,612	761,224	-	3,536	5,830	-	-	-
Noninstructional services	-	-	1,400	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	55,179	-	101,637	3,202,447	-	147,485	5,830	-	-	-
Excess (deficiency) of receipts over disbursements	(5,653)	-	(101,629)	214,957	-	-	(5,832)	-	-	-
Other financing sources (uses):										
Transfers in	11,782	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(11,782)	-	-	-	-	-	-	-
Total other financing sources (uses)	11,782	-	(11,782)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,129	-	(113,411)	214,957	-	-	(5,832)	-	-	-
Cash and investments - ending	\$ 6,129	\$ -	\$ -	\$ 214,957	\$ -	\$ -	\$ (803)	\$ -	\$ -	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	2012 NIMS WorkOne Microgrant	2012 Healthcare WorkOne Microgrant	Perkins Grant 11-12	Tech Prep	Special Education IDEA Grant 09-10	Special Education IDEA Grant 11-12	Title II, Part A 09-10	Title II, Part A 10-11	Title II, Part A 11-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 843,482	\$ -	\$ 22,075	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	266	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	798,401	-	18,913	500	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	798,667	-	18,913	500	-
Disbursements:									
Current:									
Instruction	-	-	-	-	1,420,801	-	4,797	-	-
Support services	-	-	-	-	221,248	-	34,467	305	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	1,467	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,642,049	-	40,731	305	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(843,382)	-	(21,818)	195	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(100)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(100)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(843,482)	-	(21,818)	195	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257	\$ 195	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title II, Part D 09-10	Title III, Language Instruction	ARRA Stimulus Title I	ARRA Stimulus Special Education IDEA Grant	ARRA Stimulus Special Education Preschool	Education Jobs Grant	Payroll Clearing	Prepaid Student Lunch Fees	Totals
Cash and investments - beginning	\$ 12,670	\$ -	\$ 18,366	\$ 35,522	\$ 113,209	\$ -	\$ 5	\$ 6,357	\$ 7,534,268
Receipts:									
Local sources	3	-	(59)	(62)	68	-	-	-	10,717,211
Intermediate sources	-	-	-	-	-	-	-	-	1,309
State sources	-	-	-	-	-	-	-	-	9,204,815
Federal sources	-	-	19,550	1,426,387	-	-	-	-	6,224,112
Temporary loans	-	-	-	-	-	-	-	-	2,831,465
Interfund loans	-	-	-	-	-	-	-	-	1,485,260
Other	-	-	-	-	-	-	12,407,400	18,722	12,445,642
Total receipts	3	-	19,491	1,426,325	68	-	12,407,400	18,722	42,909,814
Disbursements:									
Current:									
Instruction	-	-	18,063	1,350,825	48,585	-	-	-	11,608,096
Support services	12,630	-	19,794	49,022	168	-	-	-	10,502,649
Noninstructional services	-	-	-	-	-	-	-	-	733,164
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,669,117
Debt services	-	-	-	-	-	-	-	-	4,167,437
Nonprogrammed charges	-	-	-	-	-	-	12,407,405	17,794	12,425,199
Interfund loans	-	-	-	-	-	-	-	-	1,485,260
Total disbursements	12,630	-	37,857	1,399,847	48,753	-	12,407,405	17,794	42,590,922
Excess (deficiency) of receipts over disbursements	(12,627)	-	(18,366)	26,478	(48,685)	-	(5)	928	318,892
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	313,060
Transfers out	(43)	-	-	-	-	-	-	-	(313,060)
Total other financing sources (uses)	(43)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,670)	-	(18,366)	26,478	(48,685)	-	(5)	928	318,892
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 62,000	\$ 64,524	\$ -	\$ -	\$ 7,285	\$ 7,853,160

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 612,191	\$ 1,069,081	\$ 1,496,231	\$ 536,953	\$ 26,330	\$ 1,211,682	\$ 54,134	\$ 394,612	\$ 97,015	\$ -
Receipts:										
Local sources	69,451	2,840,199	2,641,413	1,167,647	140,123	-	61	317,931	46,410	31,378
Intermediate sources	18	-	-	-	-	-	-	-	-	-
State sources	9,185,518	-	-	-	-	-	-	7,485	47,177	-
Federal sources	-	-	-	-	-	-	-	364,199	-	-
Temporary loans	-	1,404,035	188,542	329,835	-	-	-	-	-	-
Interfund loans	-	52,401	-	-	52,401	-	-	-	-	-
Other	199	-	18,280	4,661	-	-	-	1,696	-	-
Total receipts	9,255,186	4,296,635	2,848,235	1,502,143	192,524	-	61	691,311	93,587	31,378
Disbursements:										
Current:										
Instruction	5,244,163	-	-	-	-	-	-	-	-	-
Support services	3,456,524	11,387	1,629,497	1,193,868	104,276	-	-	7,866	43,225	-
Noninstructional services	146,794	-	-	-	-	-	-	636,515	-	-
Facilities acquisition and construction	-	-	638,659	-	-	10,850	10,300	-	-	-
Debt services	233,744	4,211,315	823,880	308,541	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	52,401	-	-	52,401	-	-	-	-	-
Total disbursements	9,081,225	4,275,103	3,092,036	1,502,409	156,677	10,850	10,300	644,381	43,225	-
Excess (deficiency) of receipts over disbursements	173,961	21,532	(243,801)	(266)	35,847	(10,850)	(10,239)	46,930	50,362	31,378
Other financing sources (uses):										
Sale of capital assets	5,146	-	-	-	-	-	-	-	-	-
Transfers in	2	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,148	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	179,109	21,532	(243,801)	(266)	35,847	(10,850)	(10,239)	46,930	50,362	31,378
Cash and investments - ending	\$ 791,300	\$ 1,090,613	\$ 1,252,430	\$ 536,687	\$ 62,177	\$ 1,200,832	\$ 43,895	\$ 441,542	\$ 147,377	\$ 31,378

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Special Education Cooperative	Coop Administrative Hearing	Vocational Cooperative	Educational License Plates	SAFE School Haven	Coop Donation	Insurance Stabilization	Teacher Grant	High Ability 11-12	High Ability 10-11
Cash and investments - beginning	\$ 1,890,516	\$ 26,003	\$ -	\$ 20	\$ -	\$ 4,144	\$ 33,483	\$ 14,367	\$ -	\$ 7,354
Receipts:										
Local sources	3,312,567	-	682,936	-	-	2,931	41	18,700	-	-
Intermediate sources	-	-	-	38	-	-	-	-	-	-
State sources	-	-	3,379,913	-	-	-	-	-	29,731	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	1,929	-	-	-	-	-	-	-
Total receipts	3,312,567	-	4,064,778	38	-	2,931	41	18,700	29,731	-
Disbursements:										
Current:										
Instruction	1,117,031	-	1,888,992	-	-	2,147	-	613	21,562	7,354
Support services	3,016,724	-	1,442,504	-	-	1,238	-	11,909	945	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	4,187	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,133,755	-	3,335,683	-	-	3,385	-	12,522	22,507	7,354
Excess (deficiency) of receipts over disbursements	(821,188)	-	729,095	38	-	(454)	41	6,178	7,224	(7,354)
Other financing sources (uses):										
Sale of capital assets	1,600	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,600	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(819,588)	-	729,095	38	-	(454)	41	6,178	7,224	(7,354)
Cash and investments - ending	\$ 1,070,928	\$ 26,003	\$ 729,095	\$ 58	\$ -	\$ 3,690	\$ 33,524	\$ 20,545	\$ 7,224	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Instruction Support	Adult and Continuing Education	Extra- Curricular Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Vocational Coop Technology Grant	Insurance Consortium	Vocational Coop Administration	Excess PTRC Distributions
Cash and investments - beginning	\$ 3,326	\$ -	\$ 57	\$ 384	\$ 1,397	\$ -	\$ -	\$ 19,336	\$ -	\$ -
Receipts:										
Local sources	34,236	327,371	3,410	-	-	-	-	61,500	62,264	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	5,590	-	2,589	-	54,107	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	8,612	-
Total receipts	<u>34,236</u>	<u>327,371</u>	<u>3,410</u>	<u>-</u>	<u>5,590</u>	<u>-</u>	<u>2,589</u>	<u>61,500</u>	<u>124,983</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	80	134,074	-	384	-	-	-	-	14,316	-
Support services	34,619	29,442	-	-	5,589	-	509	72,755	81,955	-
Noninstructional services	-	-	3,410	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>34,699</u>	<u>163,516</u>	<u>3,410</u>	<u>384</u>	<u>5,589</u>	<u>-</u>	<u>509</u>	<u>72,755</u>	<u>96,271</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(463)</u>	<u>163,855</u>	<u>-</u>	<u>(384)</u>	<u>1</u>	<u>-</u>	<u>2,080</u>	<u>(11,255)</u>	<u>28,712</u>	<u>-</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	15,336	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(30,712)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(30,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,336</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(463)</u>	<u>133,143</u>	<u>-</u>	<u>(384)</u>	<u>1</u>	<u>-</u>	<u>2,080</u>	<u>(11,255)</u>	<u>44,048</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,863</u>	<u>\$ 133,143</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 1,398</u>	<u>\$ -</u>	<u>\$ 2,080</u>	<u>\$ 8,081</u>	<u>\$ 44,048</u>	<u>\$ -</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I 10-11	Title I 11-12	Title I 09-10	Special Education IDEA Grant 10-11	Special Education Preschool 11-12	Special Education Preschool 10-11	Title IV, A 09-10	11-12 ABE Workforce Development Grant	2012 CLA WorkOne Microgrant	2012 MSSC WorkOne Microgrant
Cash and investments - beginning	\$ 6,129	\$ -	\$ -	\$ 214,957	\$ -	\$ -	\$ (803)	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	168,237	19,737	-	1,335,119	150,823	-	803	235,085	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	168,237	19,737	-	1,335,119	150,823	-	803	235,085	-	-
Disbursements:										
Current:										
Instruction	139,244	68,157	-	1,072,114	151,151	-	-	365,844	3,500	3,500
Support services	25,097	20,953	-	477,962	-	-	-	18,847	-	-
Noninstructional services	3,000	1,029	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	167,341	90,139	-	1,550,076	151,151	-	-	384,691	3,500	3,500
Excess (deficiency) of receipts over disbursements	896	(70,402)	-	(214,957)	(328)	-	803	(149,606)	(3,500)	(3,500)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	7,023	-	-	-	-	-	30,712	-	-
Transfers out	(7,025)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,025)	7,023	-	-	-	-	-	30,712	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,129)	(63,379)	-	(214,957)	(328)	-	803	(118,894)	(3,500)	(3,500)
Cash and investments - ending	\$ -	\$ (63,379)	\$ -	\$ -	\$ (328)	\$ -	\$ -	\$ (118,894)	\$ (3,500)	\$ (3,500)

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	2012 NIMS WorkOne Microgrant	2012 Healthcare WorkOne Microgrant	Perkins Grant 11-12	Tech Prep	Special Education IDEA Grant 09-10	Special Education IDEA Grant 11-12	Title II, Part A 09-10	Title II, Part A 10-11	Title II, Part A 11-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257	\$ 195	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	268,535	112,302	-	3,434,379	-	48,066	12,601
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	268,535	112,302	-	3,434,379	-	48,066	12,601
Disbursements:									
Current:									
Instruction	3,500	3,500	78,560	99,222	-	3,006,411	152	12,423	7,944
Support services	-	-	198,428	13,080	-	687,676	105	35,838	6,380
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	3,500	3,500	276,988	112,302	-	3,694,087	257	48,261	14,324
Excess (deficiency) of receipts over disbursements	(3,500)	(3,500)	(8,453)	-	-	(259,708)	(257)	(195)	(1,723)
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	(3,500)	(3,500)	(8,453)	-	-	(259,708)	(257)	(195)	(1,723)
Cash and investments - ending	\$ (3,500)	\$ (3,500)	\$ (8,453)	\$ -	\$ -	\$ (259,708)	\$ -	\$ -	\$ (1,723)

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title II, Part D 09-10	Title III, Language Instruction	ARRA Stimulus Title I	ARRA Stimulus Special Education IDEA Grant	ARRA Stimulus Special Education Preschool	Education Jobs Grant	Payroll Clearing	Prepaid Student Lunch Fees	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 62,000	\$ 64,524	\$ -	\$ -	\$ 7,285	\$ 7,853,160
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,760,569
Intermediate sources	-	-	-	-	-	-	-	-	56
State sources	-	528	-	-	-	-	-	-	12,712,638
Federal sources	-	-	-	636,291	30,000	298,306	-	-	7,114,483
Temporary loans	-	-	-	-	-	-	-	-	1,922,412
Interfund loans	-	-	-	-	-	-	-	-	104,802
Other	-	-	-	-	-	-	14,352,561	18,366	14,406,304
Total receipts	-	528	-	636,291	30,000	298,306	14,352,561	18,366	48,021,264
Disbursements:									
Current:									
Instruction	-	528	-	696,855	94,524	241,691	-	-	14,479,536
Support services	-	-	-	1,436	-	56,615	-	-	12,687,249
Noninstructional services	-	-	-	-	-	-	-	-	790,748
Facilities acquisition and construction	-	-	-	-	-	-	-	-	663,996
Debt services	-	-	-	-	-	-	-	-	5,577,480
Nonprogrammed charges	-	-	-	-	-	-	14,352,561	17,392	14,369,953
Interfund loans	-	-	-	-	-	-	-	-	104,802
Total disbursements	-	528	-	698,291	94,524	298,306	14,352,561	17,392	48,673,764
Excess (deficiency) of receipts over disbursements	-	-	-	(62,000)	(64,524)	-	-	974	(652,500)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	22,082
Transfers in	-	-	-	-	-	-	-	-	37,737
Transfers out	-	-	-	-	-	-	-	-	(37,737)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	22,082
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(62,000)	(64,524)	-	-	974	(630,418)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,259	\$ 7,222,742

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2012

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Apple computers	\$ 527,334	\$ 358,193
Building construction/renovation	14,475,000	3,010,000
Temporary loans payable	<u>1,495,140</u>	<u>1,509,331</u>
Total governmental activities debt	<u>\$ 16,497,474</u>	<u>\$ 4,877,525</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2012

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,646,000
Buildings	28,576,504
Improvements other than buildings	831,868
Machinery and equipment	<u>6,548,736</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 37,603,108</u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE DEKALB COUNTY EASTERN COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

Compliance

We have audited the DeKalb County Eastern Community School District's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the 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, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, 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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 5, 2013

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 66,744	\$ 69,097
National School Lunch Program	10.555		322,325	341,653
Summer Food Service Program for Children	10.559		<u>25,485</u>	<u>18,063</u>
Total for federal grantor agency			<u>414,554</u>	<u>428,813</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		10-1805	101,529	-
		11-1805	49,526	168,237
		12-1805	<u>-</u>	<u>19,737</u>
Total for program			<u>151,055</u>	<u>187,974</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	09-1805	<u>37,857</u>	<u>-</u>
Total for cluster			<u>188,912</u>	<u>187,974</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	84.027			
		14210-046-PN01	1,641,783	-
		14211-046-PN01	3,417,404	1,335,119
		14212-046-PN01	<u>-</u>	<u>3,434,379</u>
Total for program			<u>5,059,187</u>	<u>4,769,498</u>
Special Education - Preschool Grants (IDEA Preschool)	84.173			
		45711-046-PN01	147,485	-
		45712-046-PN01	<u>-</u>	<u>150,823</u>
Total for program			<u>147,485</u>	<u>150,823</u>
ARRA - Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	33310-046-SN01	<u>1,275,865</u>	<u>636,291</u>
ARRA - Special Education - Preschool Grants (IDEA Preschool), Recovery Act	84.392	H392A090104/C	<u>48,585</u>	<u>94,524</u>
Total for cluster			<u>6,531,122</u>	<u>5,651,136</u>

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Educational Technology and State Grants Cluster				
Education Technology State Grants	84.318	A58-0-10IT-006	12,630	-
Total for cluster			12,630	-
Pass-Through Indiana Department of Workforce Development				
Adult Education - Basic Grants to States	84.002		-	82,746
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048			
		11-6200-1820	-	112,302
		11-4700-1820	-	268,535
Total for program			-	380,837
Safe and Drug-Free Schools and Communities - State Grants	84.186	1805-09	5,830	-
Improving Teacher Quality State Grants	84.367			
		09-1805	40,731	-
		10-1805	500	48,066
		11-1805	-	12,601
Total for program			41,231	60,667
Education Jobs Fund	84.410		-	298,306
Total for federal grantor agency			6,779,725	6,661,666
Total federal awards expended			<u>\$ 7,194,279</u>	<u>\$ 7,090,479</u>

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the DeKalb County Eastern Community School District (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2011 and 2012:

Program Title	Federal CFDA Number	2011	2012
Special Education - Grants to States (IDEA, Part B)	84.027	\$ -	\$ 874,761
Special Education - Preschool Grants (IDEA Preschool)	84.173	-	22,490
ARRA - Special Education Grants to States (IDEA, Part B), Recovery Act	84.391	1,125,604	636,291

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 7,425	\$ 7,831
National School Lunch Program	10.555	35,859	38,720

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____
Child Nutrition Cluster
Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$428,543

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2013, with Dr. Jeffrey Stephens, Superintendent of Schools, and Philip Carpenter, Treasurer. Our audit disclosed no material items that warrant comment at this time.