

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
DEKALB COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
03/15/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Angela M. Lockwood	07-01-10 to 06-30-13
Superintendent of Schools	Sherry L. Grate	07-01-10 to 06-30-13
President of the School Board	Rob M. Miller Jay A. Baumgartner	07-01-10 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL
UNITED SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited the accompanying financial statement of the DeKalb County Central United 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 11, 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, 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 11, 2013



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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 CENTRAL
UNITED SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited the financial statement of the DeKalb County Central United School District (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 11, 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 11, 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 CENTRAL UNITED 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	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	1,674,221	23,612,232	23,007,256	190,356	2,469,553	22,944,497	23,893,080	(109,311)	1,411,659
Debt Service	1,749,956	4,517,141	4,104,237	(7,092)	2,155,768	4,910,124	4,240,273	(43,382)	2,782,237
School Pension Debt Service	748,874	1,379,386	1,376,495	-	751,765	561,098	1,377,210	-	(64,347)
Capital Projects	2,996,105	3,037,177	3,146,121	25,149	2,912,310	3,053,143	3,766,838	(2,470)	2,196,145
School Transportation	1,772,815	3,153,246	2,786,178	(493,049)	1,646,834	3,209,573	2,811,297	(349,500)	1,695,610
School Bus Replacement	(105,673)	439,138	362,743	(42,809)	(72,087)	432,976	344,685	-	16,204
Rainy Day	-	-	-	350,000	350,000	-	-	350,000	700,000
Retirement/Severance Bond	3,080,347	18,046	719,397	-	2,378,996	14,200	522,664	-	1,870,532
Post-Retirement/Severance Future Benefits	32,376	-	-	10,461	42,837	-	-	38,789	81,626
Construction	-	-	1,112,370	2,000,000	887,630	-	939,130	2,050,000	1,998,500
School Lunch	259,735	1,733,024	1,611,248	-	381,511	1,775,130	1,739,754	-	416,887
Textbook Rental	207,122	312,862	157,262	52,572	415,294	587,447	839,572	43,382	206,551
Self-Insurance	334,258	4,162,216	3,984,799	-	511,675	4,737,933	4,788,135	-	461,473
Educational License Plates	-	2,680	522	-	2,158	263	645	-	1,776
Alternative Education	28,541	27,381	245,472	175,000	(14,550)	25,814	199,361	200,000	11,903
Safe Haven Grant	-	-	16,499	-	(16,499)	16,499	-	-	-
Early Intervention 09-10	15,742	-	15,742	-	-	-	-	-	-
Early Intervention 10-11	-	88,997	81,433	-	7,564	-	7,564	-	-
Early Intervention 11-12	-	-	-	-	-	80,740	80,740	-	-
Extra-Curricular Activities	109	10,341	11,773	-	(1,323)	5,966	10,139	-	(5,496)
Summer Literacy Institute	18,972	-	-	-	18,972	-	-	-	18,972
Classroom Relocation	(10,865)	10,865	-	-	-	-	-	-	-
YMCA Partnership	-	42,950	180	-	42,770	-	21,100	-	21,670
Talent Initiative Grant	-	-	-	-	-	26,950	25,550	-	1,400
Education Technology	-	-	-	-	-	79,520	79,520	-	-
Non-English Speaking	-	5,551	2,396	-	3,155	-	3,155	-	-
LEP Program Title III	4,522	-	4,522	-	-	8,716	7,616	-	1,100
School Technology	86,405	81,724	82,178	-	85,951	77,934	160,306	-	3,579
Building Equipment	75,225	-	75,225	-	-	-	-	-	-
High Ability Grant 09-10	8,472	-	8,472	-	-	-	-	-	-

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

DEKALB COUNTY CENTRAL UNITED 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
High Ability Grant 10-11	-	41,940	36,747	-	5,193	-	5,193	-	-
High Ability Grant 11-12	-	-	-	-	-	40,655	40,655	-	-
Game On Grant	-	6,075	6,075	-	-	-	-	-	-
Levy Excess	101,060	-	-	(101,060)	-	-	-	-	-
Title I 09-10	102,200	18,857	86,473	(34,584)	-	-	-	-	-
Title I 10-11	-	173,168	264,772	34,584	(57,020)	221,969	130,366	(34,583)	-
Title I 11-12	-	-	-	-	-	291,181	366,656	34,584	(40,891)
WE School Improvement/Title I 08-09	10,000	-	-	-	10,000	-	-	-	10,000
WE School Improvement/Title I 09-10	15,055	-	15,055	-	-	-	-	-	-
WE School Improvement/Title I 10-11	-	50,337	76,892	-	(26,555)	43,943	17,388	-	-
Title IV 2009-10	12,010	-	6,951	-	5,059	1,852	6,911	-	-
Title IV 08-09	2,044	-	2,044	-	-	-	-	-	-
Title II, Part A 2009-10	93,258	-	40,756	-	52,502	-	52,502	-	-
Title II, Part A 2010-11	-	-	-	-	-	50,497	58,314	-	(7,817)
Title II, Part A 2011-12	-	-	-	-	-	-	130	-	(130)
Project Lead-The-Way 2009-10	(4,500)	13,604	9,104	-	-	-	-	-	-
Project Lead-The-Way 2010-11	-	5,977	6,277	-	(300)	23,962	23,662	-	-
21st Century Community Learning Centers 2009-10	41,217	-	11,217	-	30,000	-	-	-	30,000
Title III, Language Instruction	-	-	-	-	-	3,400	3,400	-	-
Title I (ARRA)	14,632	113,258	144,712	-	(16,822)	49,190	32,368	-	-
Special Education, Part B (ARRA)	141,392	163,887	388,261	-	(82,982)	268,822	185,840	-	-
New Technology Grants	-	-	-	-	-	125,000	-	-	125,000
Education Jobs	-	350,000	350,000	-	-	281,355	283,132	-	(1,777)
Payroll	-	19,004,537	19,004,537	-	-	18,961,989	18,961,989	-	-
Prepaid Food	33,354	636,989	645,508	-	24,835	681,685	680,896	-	25,624
Totals	\$ 13,538,981	\$ 63,213,586	\$ 64,007,901	\$ 2,159,528	\$ 14,904,194	\$ 63,594,023	\$ 66,707,736	\$ 2,177,509	\$ 13,967,990

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

DEKALB COUNTY CENTRAL UNITED 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 CENTRAL UNITED 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 CENTRAL UNITED 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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

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 CENTRAL UNITED 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 CENTRAL UNITED 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 CENTRAL UNITED 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	School Pension Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,674,221	\$ 1,749,956	\$ 748,874	\$ 2,996,105	\$ 1,772,815	\$ (105,673)	\$ -	\$ 3,080,347
Receipts:								
Local sources	1,060,965	4,517,141	1,379,386	3,037,177	2,417,710	439,138	-	18,046
Intermediate sources	48	-	-	-	-	-	-	-
State sources	22,551,219	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	735,536	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>23,612,232</u>	<u>4,517,141</u>	<u>1,379,386</u>	<u>3,037,177</u>	<u>3,153,246</u>	<u>439,138</u>	<u>-</u>	<u>18,046</u>
Disbursements:								
Current:								
Instruction	16,306,432	-	-	-	-	-	-	719,397
Support services	6,620,304	-	-	2,021,213	2,002,241	362,743	-	-
Noninstructional services	80,520	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	791,690	-	-	-	-
Debt services	-	4,104,237	1,376,495	333,218	783,937	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>23,007,256</u>	<u>4,104,237</u>	<u>1,376,495</u>	<u>3,146,121</u>	<u>2,786,178</u>	<u>362,743</u>	<u>-</u>	<u>719,397</u>
Excess (deficiency) of receipts over disbursements	<u>604,976</u>	<u>412,904</u>	<u>2,891</u>	<u>(108,944)</u>	<u>367,068</u>	<u>76,395</u>	<u>-</u>	<u>(701,351)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	159,528	-	-	-	-	-	-	-
Transfers in	216,289	45,480	-	28,649	22,740	4,191	350,000	-
Transfers out	(185,461)	(52,572)	-	(3,500)	(515,789)	(47,000)	-	-
Total other financing sources (uses)	<u>190,356</u>	<u>(7,092)</u>	<u>-</u>	<u>25,149</u>	<u>(493,049)</u>	<u>(42,809)</u>	<u>350,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>795,332</u>	<u>405,812</u>	<u>2,891</u>	<u>(83,795)</u>	<u>(125,981)</u>	<u>33,586</u>	<u>350,000</u>	<u>(701,351)</u>
Cash and investments - ending	<u>\$ 2,469,553</u>	<u>\$ 2,155,768</u>	<u>\$ 751,765</u>	<u>\$ 2,912,310</u>	<u>\$ 1,646,834</u>	<u>\$ (72,087)</u>	<u>\$ 350,000</u>	<u>\$ 2,378,996</u>

DEKALB COUNTY CENTRAL UNITED 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)

	Post Retirement/ Severance Future Benefits	Construction	School Lunch	Textbook Rental	Self- Insurance	Educational License Plates	Alternative Education	Safe Haven Grant
Cash and investments - beginning	\$ 32,376	\$ -	\$ 259,735	\$ 207,122	\$ 334,258	\$ -	\$ 28,541	\$ -
Receipts:								
Local sources	-	-	855,709	218,661	4,126,476	2,680	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	19,779	94,201	-	-	27,381	-
Federal sources	-	-	842,342	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	15,194	-	35,740	-	-	-
Total receipts	-	-	1,733,024	312,862	4,162,216	2,680	27,381	-
Disbursements:								
Current:								
Instruction	-	-	-	-	3,984,799	-	245,472	-
Support services	-	-	1,404	157,262	-	522	-	16,499
Noninstructional services	-	-	1,609,844	-	-	-	-	-
Facilities acquisition and construction	-	1,112,370	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	1,112,370	1,611,248	157,262	3,984,799	522	245,472	16,499
Excess (deficiency) of receipts over disbursements	-	(1,112,370)	121,776	155,600	177,417	2,158	(218,091)	(16,499)
Other financing sources (uses):								
Proceeds of long-term debt	-	2,000,000	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	10,461	-	-	52,572	-	-	175,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,461	2,000,000	-	52,572	-	-	175,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,461	887,630	121,776	208,172	177,417	2,158	(43,091)	(16,499)
Cash and investments - ending	\$ 42,837	\$ 887,630	\$ 381,511	\$ 415,294	\$ 511,675	\$ 2,158	\$ (14,550)	\$ (16,499)

DEKALB COUNTY CENTRAL UNITED 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)

	Early Intervention 09-10	Early Intervention 10-11	Early Intervention 11-12	Extra- Curricular Activities	Summer Literacy Institute	Classroom Relocation	YMCA Partnership	Talent Initiative Grant
Cash and investments - beginning	\$ 15,742	\$ -	\$ -	\$ 109	\$ 18,972	\$ (10,865)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	10,341	-	10,807	42,950	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	88,997	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	58	-	-
Total receipts	-	88,997	-	10,341	-	10,865	42,950	-
Disbursements:								
Current:								
Instruction	3,987	45,000	-	11,773	-	-	180	-
Support services	5,349	36,433	-	-	-	-	-	-
Noninstructional services	6,406	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	15,742	81,433	-	11,773	-	-	180	-
Excess (deficiency) of receipts over disbursements	(15,742)	7,564	-	(1,432)	-	10,865	42,770	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	(15,742)	7,564	-	(1,432)	-	10,865	42,770	-
Cash and investments - ending	\$ -	\$ 7,564	\$ -	\$ (1,323)	\$ 18,972	\$ -	\$ 42,770	\$ -

DEKALB COUNTY CENTRAL UNITED 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)

	Education Technology	Non-English Speaking	LEP Program Titl III	School Technology	Building Equipment	High Ability Grant 09-10	High Ability Grant 10-11	High Ability Grant 11-12
Cash and investments - beginning	\$ -	\$ -	\$ 4,522	\$ 86,405	\$ 75,225	\$ 8,472	\$ -	\$ -
Receipts:								
Local sources	-	-	-	81,724	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	5,551	-	-	-	-	41,940	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	5,551	-	81,724	-	-	41,940	-
Disbursements:								
Current:								
Instruction	-	-	2,894	-	-	-	-	-
Support services	-	2,396	1,000	82,178	-	8,472	36,747	-
Noninstructional services	-	-	628	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	75,225	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	2,396	4,522	82,178	75,225	8,472	36,747	-
Excess (deficiency) of receipts over disbursements	-	3,155	(4,522)	(454)	(75,225)	(8,472)	5,193	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	-	3,155	(4,522)	(454)	(75,225)	(8,472)	5,193	-
Cash and investments - ending	\$ -	\$ 3,155	\$ -	\$ 85,951	\$ -	\$ -	\$ 5,193	\$ -

DEKALB COUNTY CENTRAL UNITED 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)

	Game On Grant	Levy Excess	Title I 09-10	Title I 10-11	Title I 11-12	WE School Improvement/ Title I 08-09	WE School Improvement/ Title I 09-10	WE School Improvement/ Title I 10-11
Cash and investments - beginning	\$ -	\$ 101,060	\$ 102,200	\$ -	\$ -	\$ 10,000	\$ 15,055	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	6,075	-	-	-	-	-	-	-
Federal sources	-	-	18,857	173,168	-	-	-	50,337
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	6,075	-	18,857	173,168	-	-	-	50,337
Disbursements:								
Current:								
Instruction	-	-	29,378	173,479	-	-	-	-
Support services	-	-	57,124	87,980	-	-	15,055	76,892
Noninstructional services	1,439	-	(29)	3,313	-	-	-	-
Facilities acquisition and construction	4,636	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,075	-	86,473	264,772	-	-	15,055	76,892
Excess (deficiency) of receipts over disbursements	-	-	(67,616)	(91,604)	-	-	(15,055)	(26,555)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	34,584	-	-	-	-
Transfers out	-	(101,060)	(34,584)	-	-	-	-	-
Total other financing sources (uses)	-	(101,060)	(34,584)	34,584	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(101,060)	(102,200)	(57,020)	-	-	(15,055)	(26,555)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (57,020)	\$ -	\$ 10,000	\$ -	\$ (26,555)

DEKALB COUNTY CENTRAL UNITED 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 IV 2009-10	Title IV 08-09	Title II, Part A 2009-10	Title II, Part A 2010-11	Title II, Part A 2011-12	Project Lead-The-Way 2009-10	Project Lead-The-Way 2010-11	21st Century Community Learning Centers 2009-10
Cash and investments - beginning	\$ 12,010	\$ 2,044	\$ 93,258	\$ -	\$ -	\$ (4,500)	\$ -	\$ 41,217
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	13,604	5,977	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	13,604	5,977	-
Disbursements:								
Current:								
Instruction	4,800	-	-	-	-	-	-	11,217
Support services	2,151	2,044	40,756	-	-	-	1,627	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	9,104	4,650	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,951	2,044	40,756	-	-	9,104	6,277	11,217
Excess (deficiency) of receipts over disbursements	(6,951)	(2,044)	(40,756)	-	-	4,500	(300)	(11,217)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	(6,951)	(2,044)	(40,756)	-	-	4,500	(300)	(11,217)
Cash and investments - ending	\$ 5,059	\$ -	\$ 52,502	\$ -	\$ -	\$ -	\$ (300)	\$ 30,000

DEKALB COUNTY CENTRAL UNITED 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 III Language Instruction	Title I (ARRA)	Special Education Part B (ARRA)	New Technology Grants	Education Jobs	Payroll	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ 14,632	\$ 141,392	\$ -	\$ -	\$ -	\$ 33,354	\$ 13,538,981
Receipts:								
Local sources	-	-	-	-	-	-	636,989	18,855,900
Intermediate sources	-	-	-	-	-	-	-	48
State sources	-	-	-	-	-	-	-	22,854,724
Federal sources	-	113,258	163,887	-	350,000	-	-	1,711,849
Temporary loans	-	-	-	-	-	-	-	735,536
Other	-	-	-	-	-	19,004,537	-	19,055,529
Total receipts	-	113,258	163,887	-	350,000	19,004,537	636,989	63,213,586
Disbursements:								
Current:								
Instruction	-	-	186,516	-	-	-	-	21,725,324
Support services	-	144,712	201,745	-	350,000	-	-	12,334,849
Noninstructional services	-	-	-	-	-	-	645,508	2,347,629
Facilities acquisition and construction	-	-	-	-	-	-	-	1,997,675
Debt services	-	-	-	-	-	-	-	6,597,887
Nonprogrammed charges	-	-	-	-	-	19,004,537	-	19,004,537
Total disbursements	-	144,712	388,261	-	350,000	19,004,537	645,508	64,007,901
Excess (deficiency) of receipts over disbursements	-	(31,454)	(224,374)	-	-	-	(8,519)	(794,315)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	2,000,000
Sale of capital assets	-	-	-	-	-	-	-	159,528
Transfers in	-	-	-	-	-	-	-	939,966
Transfers out	-	-	-	-	-	-	-	(939,966)
Total other financing sources (uses)	-	-	-	-	-	-	-	2,159,528
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(31,454)	(224,374)	-	-	-	(8,519)	1,365,213
Cash and investments - ending	\$ -	\$ (16,822)	\$ (82,982)	\$ -	\$ -	\$ -	\$ 24,835	\$ 14,904,194

DEKALB COUNTY CENTRAL UNITED 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	School Pension Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 2,469,553	\$ 2,155,768	\$ 751,765	\$ 2,912,310	\$ 1,646,834	\$ (72,087)	\$ 350,000	\$ 2,378,996
Receipts:								
Local sources	357,665	4,910,124	561,098	3,053,143	2,364,099	432,976	-	14,200
Intermediate sources	26	-	-	-	-	-	-	-
State sources	22,581,206	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	845,474	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	5,600	-	-	-	-	-	-	-
Total receipts	<u>22,944,497</u>	<u>4,910,124</u>	<u>561,098</u>	<u>3,053,143</u>	<u>3,209,573</u>	<u>432,976</u>	<u>-</u>	<u>14,200</u>
Disbursements:								
Current:								
Instruction	16,771,249	-	-	-	-	-	-	522,664
Support services	6,825,421	4,650	-	2,257,492	2,075,761	344,685	-	-
Noninstructional services	96,410	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,065,779	-	-	-	-
Debt services	-	4,235,623	1,377,210	443,567	735,536	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	200,000	-	-	-	-	-	-	-
Total disbursements	<u>23,893,080</u>	<u>4,240,273</u>	<u>1,377,210</u>	<u>3,766,838</u>	<u>2,811,297</u>	<u>344,685</u>	<u>-</u>	<u>522,664</u>
Excess (deficiency) of receipts over disbursements	<u>(948,583)</u>	<u>669,851</u>	<u>(816,112)</u>	<u>(713,695)</u>	<u>398,276</u>	<u>88,291</u>	<u>-</u>	<u>(508,464)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	126,479	-	-	1,030	-	-	-	-
Transfers in	3,000	-	-	-	500	-	350,000	-
Transfers out	(238,790)	(43,382)	-	(3,500)	(350,000)	-	-	-
Total other financing sources (uses)	<u>(109,311)</u>	<u>(43,382)</u>	<u>-</u>	<u>(2,470)</u>	<u>(349,500)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,057,894)</u>	<u>626,469</u>	<u>(816,112)</u>	<u>(716,165)</u>	<u>48,776</u>	<u>88,291</u>	<u>350,000</u>	<u>(508,464)</u>
Cash and investments - ending	<u>\$ 1,411,659</u>	<u>\$ 2,782,237</u>	<u>\$ (64,347)</u>	<u>\$ 2,196,145</u>	<u>\$ 1,695,610</u>	<u>\$ 16,204</u>	<u>\$ 700,000</u>	<u>\$ 1,870,532</u>

DEKALB COUNTY CENTRAL UNITED 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

	Post Retirement/ Severance Future Benefits	Construction	School Lunch	Textbook Rental	Self- Insurance	Educational License Plates	Alternative Education	Safe Haven Grant
Cash and investments - beginning	\$ 42,837	\$ 887,630	\$ 381,511	\$ 415,294	\$ 511,675	\$ 2,158	\$ (14,550)	\$ (16,499)
Receipts:								
Local sources	-	-	839,332	263,176	4,617,532	263	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	124,271	-	-	25,814	16,499
Federal sources	-	-	932,113	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	200,000	-	-	-	-
Other	-	-	3,685	-	120,401	-	-	-
Total receipts	-	-	1,775,130	587,447	4,737,933	263	25,814	16,499
Disbursements:								
Current:								
Instruction	-	-	-	-	4,780,750	-	199,361	-
Support services	-	-	1,325	839,572	7,385	645	-	-
Noninstructional services	-	-	1,738,429	-	-	-	-	-
Facilities acquisition and construction	-	939,130	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	939,130	1,739,754	839,572	4,788,135	645	199,361	-
Excess (deficiency) of receipts over disbursements	-	(939,130)	35,376	(252,125)	(50,202)	(382)	(173,547)	16,499
Other financing sources (uses):								
Proceeds of long-term debt	-	2,050,000	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	38,789	-	-	43,382	-	-	200,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	38,789	2,050,000	-	43,382	-	-	200,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	38,789	1,110,870	35,376	(208,743)	(50,202)	(382)	26,453	16,499
Cash and investments - ending	\$ 81,626	\$ 1,998,500	\$ 416,887	\$ 206,551	\$ 461,473	\$ 1,776	\$ 11,903	\$ -

DEKALB COUNTY CENTRAL UNITED 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

	Early Intervention 09-10	Early Intervention 10-11	Early Intervention 11-12	Extra- Curricular Activities	Summer Literacy Institute	Classroom Relocation	YMCA Partnership	Talent Initiative Grant
Cash and investments - beginning	\$ -	\$ 7,564	\$ -	\$ (1,323)	\$ 18,972	\$ -	\$ 42,770	\$ -
Receipts:								
Local sources	-	-	-	5,966	-	-	-	26,950
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	80,740	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	80,740	5,966	-	-	-	26,950
Disbursements:								
Current:								
Instruction	-	-	-	10,139	-	-	1,998	-
Support services	-	7,564	80,740	-	-	-	19,102	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	25,550
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	7,564	80,740	10,139	-	-	21,100	25,550
Excess (deficiency) of receipts over disbursements	-	(7,564)	-	(4,173)	-	-	(21,100)	1,400
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	-	(7,564)	-	(4,173)	-	-	(21,100)	1,400
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (5,496)	\$ 18,972	\$ -	\$ 21,670	\$ 1,400

DEKALB COUNTY CENTRAL UNITED 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

	Education Technology	Non-English Speaking	LEP Program Titl III	School Technology	Building Equipment	High Ability Grant 09-10	High Ability Grant 10-11	High Ability Grant 11-12
Cash and investments - beginning	\$ -	\$ 3,155	\$ -	\$ 85,951	\$ -	\$ -	\$ 5,193	\$ -
Receipts:								
Local sources	-	-	-	77,934	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	79,520	-	8,716	-	-	-	-	40,655
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>79,520</u>	<u>-</u>	<u>8,716</u>	<u>77,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,655</u>
Disbursements:								
Current:								
Instruction	-	2,800	-	-	-	-	-	-
Support services	79,520	55	7,616	160,306	-	-	5,193	40,655
Noninstructional services	-	300	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>79,520</u>	<u>3,155</u>	<u>7,616</u>	<u>160,306</u>	<u>-</u>	<u>-</u>	<u>5,193</u>	<u>40,655</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(3,155)</u>	<u>1,100</u>	<u>(82,372)</u>	<u>-</u>	<u>-</u>	<u>(5,193)</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(3,155)</u>	<u>1,100</u>	<u>(82,372)</u>	<u>-</u>	<u>-</u>	<u>(5,193)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 3,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEKALB COUNTY CENTRAL UNITED 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

	Game On Grant	Levy Excess	Title I 09-10	Title I 10-11	Title I 11-12	WE School Improvement/ Title I 08-09	WE School Improvement/ Title I 09-10	WE School Improvement/ Title I 10-11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (57,020)	\$ -	\$ 10,000	\$ -	\$ (26,555)
Receipts:								
Local sources	-	-	-	-	4,691	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	221,969	286,490	-	-	43,943
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	221,969	291,181	-	-	43,943
Disbursements:								
Current:								
Instruction	-	-	-	74,613	235,717	-	-	900
Support services	-	-	-	55,753	126,753	-	-	16,488
Noninstructional services	-	-	-	-	4,186	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	130,366	366,656	-	-	17,388
Excess (deficiency) of receipts over disbursements	-	-	-	91,603	(75,475)	-	-	26,555
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	34,584	-	-	-
Transfers out	-	-	-	(34,583)	-	-	-	-
Total other financing sources (uses)	-	-	-	(34,583)	34,584	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	57,020	(40,891)	-	-	26,555
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (40,891)	\$ 10,000	\$ -	\$ -

DEKALB COUNTY CENTRAL UNITED 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

	Title IV 2009-10	Title IV 08-09	Title II, Part A 2009-10	Title II, Part A 2010-11	Title II, Part A 2011-12	Project Lead-The-Way 2009-10	Project Lead-The-Way 2010-11	21st Century Community Learning Centers 2009-10
Cash and investments - beginning	\$ 5,059	\$ -	\$ 52,502	\$ -	\$ -	\$ -	\$ (300)	\$ 30,000
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	23,962	-
Federal sources	1,852	-	-	50,497	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,852	-	-	50,497	-	-	23,962	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	6,911	-	52,502	58,314	130	-	12,753	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	10,909	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	6,911	-	52,502	58,314	130	-	23,662	-
Excess (deficiency) of receipts over disbursements	(5,059)	-	(52,502)	(7,817)	(130)	-	300	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,059)	-	(52,502)	(7,817)	(130)	-	300	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (7,817)	\$ (130)	\$ -	\$ -	\$ 30,000

DEKALB COUNTY CENTRAL UNITED 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

	Title III Language Instruction	Title I (ARRA)	Special Education Part B (ARRA)	New Technology Grants	Education Jobs	Payroll	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ (16,822)	\$ (82,982)	\$ -	\$ -	\$ -	\$ 24,835	\$ 14,904,194
Receipts:								
Local sources	-	-	-	-	-	-	681,685	18,210,834
Intermediate sources	-	-	-	-	-	-	-	26
State sources	-	-	-	-	-	-	-	22,981,383
Federal sources	3,400	49,190	268,822	125,000	281,355	-	-	2,264,631
Temporary loans	-	-	-	-	-	-	-	845,474
Interfund loans	-	-	-	-	-	-	-	200,000
Other	-	-	-	-	-	18,961,989	-	19,091,675
Total receipts	<u>3,400</u>	<u>49,190</u>	<u>268,822</u>	<u>125,000</u>	<u>281,355</u>	<u>18,961,989</u>	<u>681,685</u>	<u>63,594,023</u>
Disbursements:								
Current:								
Instruction	2,800	-	93,123	-	69,560	-	-	22,765,674
Support services	600	32,368	92,717	-	213,572	-	-	13,426,548
Noninstructional services	-	-	-	-	-	-	680,896	2,520,221
Facilities acquisition and construction	-	-	-	-	-	-	-	2,041,368
Debt services	-	-	-	-	-	-	-	6,791,936
Nonprogrammed charges	-	-	-	-	-	18,961,989	-	18,961,989
Interfund loans	-	-	-	-	-	-	-	200,000
Total disbursements	<u>3,400</u>	<u>32,368</u>	<u>185,840</u>	<u>-</u>	<u>283,132</u>	<u>18,961,989</u>	<u>680,896</u>	<u>66,707,736</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>16,822</u>	<u>82,982</u>	<u>125,000</u>	<u>(1,777)</u>	<u>-</u>	<u>789</u>	<u>(3,113,713)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	2,050,000
Sale of capital assets	-	-	-	-	-	-	-	127,509
Transfers in	-	-	-	-	-	-	-	670,255
Transfers out	-	-	-	-	-	-	-	(670,255)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,177,509</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>16,822</u>	<u>82,982</u>	<u>125,000</u>	<u>(1,777)</u>	<u>-</u>	<u>789</u>	<u>(936,204)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ (1,777)</u>	<u>\$ -</u>	<u>\$ 25,624</u>	<u>\$ 13,967,990</u>

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The fund balance of the School Pension Debt Service Fund, School Bus Replacement Fund, and Alternative Education Fund were overdrawn during the audit period. A similar comment appeared in prior Report B38379.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEXTBOOK REIMBURSEMENT

Testing of the claim form submitted to the Indiana Department of Education for Financial Assistance for Students Textbook Reimbursement for the 2011-2012 school year indicated that consumables for some elementary classes were improperly calculated (under reported).

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FUND SOURCES AND USES

Funds were disbursed from Special Education, Part B (ARRA) Fund for retirement clocks. The disbursements for the 2010-2011 were \$322 and for 2011-2012 were \$1,280.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PROMOTION OF SCHOOL EXPENDITURES (Applies to the School Corporation and School Lunch Extra-Curricular Account)

The School Corporation spent the following amounts for promotion of school expenditures:

Paid From	Period	Period	Period
	07-01-10 to 12-31-10 Amount	01-01-11 to 12-31-11 Amount	01-01-12 to 06-30-12 Amount
School Corporation Funds	\$ 4,278.35	\$ 14,304.16	\$ 5,224.58
School Lunch Extra-Curricular Account	233.18	353.00	1,003.74
Totals	<u>\$ 4,511.53</u>	<u>\$ 14,657.16</u>	<u>\$ 6,228.32</u>

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

These amounts were spent for retirement clocks, local meals (for inservices, meetings, professional development meetings, custodian inservice, technology inservice), funeral flowers, shirts, and staff breakfast. These items are promotion of school expenditures. Some of these expenditures were posted to the promotion of school appropriation, but most were posted to appropriations for inservice, professional development, travel, or strategic planning within the General Fund, or professional development in the Title II, Part A 2009-10 and Title II, Part A 2010-11 Funds, or materials and supplies in the Special Education, Part B (ARRA) fund. Expenditures for these types of items are only allowable from the Promotion Expense account in the General Fund. Based on the School Corporation's average daily membership, they would have been allowed to spend \$3,920, \$3,903, and \$3,858, for the budget years 2010, 2011, and 2012, respectively, on promotion of school expenses.

Some of these purchases, such as meals, could be considered personal expenses in future audits if they are not paid from the Promotion Expense account in the General fund.

Indiana Code 20-26-5-4(3) states in part:

"To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based upon the school corporation's previous year's ADM, to promote the best interests of the school corporation through: (A) the purchase of meals, decorations, memorabilia, or awards . . ."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

***SCHOOL LUNCH FORM SA-7, CLAIM FOR PAYMENT
(Applies to School Lunch Extra-Curricular Account)***

The School Lunch Fund is maintained as an extra-curricular account. Thirty-four disbursements from the School Lunch Fund were reviewed. One of these disbursements did not have an SA-7, Claim for Payment attached. Four others did not have the Treasurer's certification.

The Claim for Payment (SA-7) is to be printed and print ruled, original only, and gathered in pads of 50. The Claim for Payment (SA-7) shall be used for claiming payment by anyone in situations where purchase orders are not used; for example, purchases from delivery salesmen, services of officials at athletic events, etc.

Signatures are required by the person authorized to purchase and the person acknowledging the receipt of the good or services. Additionally, the extra-curricular treasurer is to sign the required certification on the form SA-7. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

MEMBERSHIP DUES (Applies to School Lunch Extra-Curricular Account)

The School Lunch Extra-Curricular Account paid for individual membership to the School Nutrition Association.

IC 20-26-5-8 states in part: "The governing body of a school corporation may appropriate necessary funds to provide membership of the school corporation in state and national associations of an educational nature that have as their purpose the improvement of school governmental operations." Accordingly, the State Board of Accounts is of the audit position that dues, memberships and subscriptions should be institutional memberships; i.e., in the name of the school corporation or school building, not an individual's name. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

***FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS
(Applies to School Lunch Extra-Curricular Account)***

Two CND-1 reports (request for meal reimbursement) were inspected during the audit. The amount of meals reported for reimbursement was compared to the detail of meals served from Meal Magic meal program. It was noted that compared to Meal Magic detail, CND-1 for January 2012 Free Student Breakfasts were under reported by 14. Also, in February 2012 Paid Student Lunches were over reported by 4 and Paid Student Breakfasts were over reported by 2.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DISBURSEMENT DOCUMENTATION (Applies to Waterloo Elementary and DeKalb Middle Schools)

Waterloo Elementary School

Twenty-two accounts payable vouchers observed did not contain adequate supporting documentation such as receipts, and invoices. Six of the twenty-two accounts payable vouchers had no documentation attached and sixteen of the twenty-two had internet order confirmations attached, not a final invoice.

DeKalb Middle School

Twenty accounts payable vouchers observed did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

INTERNAL CONTROLS (Applies to Waterloo Elementary School)

The controls over the disbursing of monies were insufficient. None of the accounts payable vouchers observed were signed by the sponsor of the activity from which the disbursements were made. Disbursements from the funds should not be made without the approval of the sponsor of the organization, class, or activity.

The Purchase Order and Accounts Payable Voucher (SA-1) is to be used when a purchase is made for delivery at a later date. The form is to be executed in full and signed by the person authorized to purchase for the particular activity concerned. Before the activity is permitted to use the Purchase Order and Accounts Payable Voucher (SA-1), the extra-curricular account treasurer must determine if there is sufficient balance in the fund of the activity to make payment upon receipt of the merchandise. The treasurer is required to certify as to the unobligated balance. The sponsor must also know that approval for the purchase has been given by the membership of the activity, as applicable, except in the case of athletic, school lunch, and textbook rental purchases. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

FUND SOURCES AND USES (Applies to James R. Watson Elementary, Waterloo Elementary, and DeKalb Middle Schools)

James R. Watson Elementary

Funds were disbursed from General Fund for a webcam, an IPAD2, a table lamp, three computer monitors, supplies for the staff lounge, speakers, picture frames, computer supplies, and a Keurig coffee machine. These purchases were then turned into the School Corporation and reimbursed from the School Corporation General Fund or Capital Projects Fund. These purchases were not for extra-curricular purposes, but for curricular purposes and should not have been paid from the extra-curricular account.

Waterloo Elementary School

Funds were disbursed from the Library Fund for postage; iPad case, keyboard, docking station and other accessories; hotel lodging; food for inservice meetings and Title I breakfast; web cam; and computer to tv converter. Funds were disbursed from the Book Club Fund for food for inservice meetings and Title I breakfast. Funds were disbursed from the Student Activities Fund for laptop batteries, case and accessories; food for inservice meetings and an interview. These items did not correspond to the nature of the activity of the funds they were paid from. Most of these items were purchased by the Principal or staff member. Once payment was made to the Principal or staff member from the extra-curricular funds, a requisition for supplies or equipment was completed and turned into the School Corporation, who then reimbursed the extra-curricular funds. It appears this procedure was a way to circumvent the proper claims procedure. Items disbursed from the extra-curricular funds should be directly related to the activity of the fund from which disbursed.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

DeKalb Middle School

Funds were disbursed from Athletic Fund for registration, books, and engraving for the academic super bowl. Funds were also disbursed in July of 2012 from the Athletic Fund for spirit wear to be sold at the bookstore. All other bookstore revenue and expenses are handled through the Student Council Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OTHER CHARGES (Applies to Waterloo Elementary)

The Principal was reimbursed six times for a total of \$120.34 for items to be shipped overnight. Supporting documentation was not presented for the need of overnight shipment.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SALES TAX (Applies to Country Meadow Elementary and Waterloo Elementary Schools)

Country Meadow Elementary School

Sales tax was paid for some purchases. Four of the claims reviewed included reimbursement of sales tax in the amount of \$29.98.

Waterloo Elementary School

Sales tax was paid for some purchases. Eight accounts payable vouchers reviewed included \$29.28 of sales tax.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

PETTY CASH FUND ACTIVITY (Applies to Waterloo Elementary School)

The Extra-Curricular Account operates a Petty Cash Fund for small purchases. A Petty Cash Fund in excess of \$500 exists in the School Corporation.

Indiana Code 21-40-13-4 states in part: "If a fund is established, the governing body shall make an appropriation for such fund in an amount that is not more than five hundred dollars (\$500.00)."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
 AUDIT RESULTS AND COMMENTS
 (Continued)

ECA DEPOSITS (Applies to Country Meadow Elementary School)

Receipts were not always deposited within a reasonable time. Receipts, in some instances, were held for periods in excess of six days before depositing. Receipts, in some cases, accumulated to over \$2,507 before a deposit was made.

Indiana Code 20-41-1-9 states in part: "... receipts shall be deposited without unreasonable delay."

USE OF FORM SA-1, ACCOUNTS PAYABLE VOUCHER (Applies to DeKalb Middle School)

Accounts Payable Voucher forms did not contain all information necessary to constitute a valid claim. None of the Account Payable Vouchers reviewed were signed by the Extra-Curricular Treasurer certifying that they were true and correct and had been audited in accordance with IC 5-11-10-1.6.

The person receiving the shipment indicates on the voucher that they have received and checked the shipment and the voucher is to be forwarded to the treasurer who makes the payment after signing the certification required on the form SA-1. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ECA EXPENSES (Applies to DeKalb Middle School)

The middle school paid for the following items from the extra-curricular account:

Items Purchased	Fund	Amount
Gift cards/certificates for athletic event workers	Athletic	\$ 3,555
Shirts for coaches and athletic event workers	Athletic	2,222
Sam's Club memberships for individuals (8 in 2010-11 and 9 in 2011-12)	Concessions	595
Gift cards/certificates	General	232
Cake and card for wedding shower	General	32
Gift card	Bulls	25
Gift card	Library	25

There was not sufficient documentation presented during the audit to determine that the above mentioned expenses were for school related functions.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

IC 20-26-5-8 states in part: "The governing body of a school corporation may appropriate necessary funds to provide membership of the school corporation in state and national associations of an educational nature that have as their purpose the improvement of school governmental operations." Accordingly, the State Board of Accounts is of the audit position that dues, memberships and subscriptions should be institutional memberships; i.e., in the name of the school corporation or school building, not an individual's name. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

EDUCATIONAL EXPENDITURES (Applies to DeKalb Middle School)

During the 2010-11 school year \$726 was paid from the General Fund for two teachers to attend a National Council of Teachers of Mathematics conference. During the 2011-12 school year \$186.58 was paid from the General Fund for receipt forms for the extra-curricular account. These purchases are for educational expenditures and should not have been paid from the extra-curricular account. Monies in the General Fund should have been used to benefit the student body as a whole. There was no school board policy authorizing these types of expenditures and there was no indication that the student body approved these expenditures.

However, we will not take audit exception to a school having disbursements from an extra-curricular "general fund" or "student activity fund" for authorized school corporation type expenditures, such as equipment, supplies, etc., with the following conditions:

1. A policy has been adopted by a school board in a public meeting authorizing these types of expenditures.
2. Providing there are no objections from a majority of an applicable student body to these types of expenditures.
3. Equipment purchases would still require separate approval from the local school board.

Since alternatives exist for funding educational expenditures (i.e., taxes, authorized investment income expenditures, etc.) and other alternatives for the use of a general fund are available (i.e., reducing the cost of items to students and/or parents), we must emphasize the adoption of the aforementioned would be a public policy decision for which the local board of school trustees must accept any and all responsibility. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

The cost of prescribed or approved records shall also be paid from the general fund of the school corporation. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

CASH DISBURSEMENTS (Applies to DeKalb Middle School)

Disbursements were not always made by check. Examples were workers at the Conference Girls Basketball tournament and Conference Boys Basketball tournament were paid in cash from the gate receipts.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

NONUSE OF TICKET SALES FORM SA-4 (Applies to DeKalb Middle School)

We noted that Ticket Sales Form SA-4 was being used for Athletic events but not for social events, such as dances or the musical. No information was presented for audit to indicate anyone at the School accounted for the revenue generated by admission to social events. Tickets were not sold and cash payments were taken at the time of admittance. As a result, full accountability for all money received from admissions could not be determined. We also noted that the Ticket Sales Form SA-4's used for Athletic events were not signed by the Athletic Director as being verified or approved. No ticket stubs were presented for audit.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

INTERFUND TRANSFERS (Applies to DeKalb Middle School)

We noted 24 interfund transfers totaling \$18,247.05 and 16 interfund transfers totaling \$11,493.92 during the 2010-11 and 2011-12 school years, respectively. These transfers were made without a supporting SA-1 to document the purpose for the transfers and approval by the proper Sponsor of the affected Extra-Curricular Fund.

Indiana Code 20-41-1-4(b) states in part:

"Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class, or activity. However, in the case of athletic funds: (1) approval of the transfer must be made by the athletic director, who is regarded as the sponsor; and (2) participating students are not considered members."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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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 CENTRAL
UNITED SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

Compliance

We have audited the DeKalb County Central United 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. However the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2.

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

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)

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.

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.

However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2. A significant deficiency in internal control over compliance is a deficiency, or 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

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 11, 2013

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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 CENTRAL UNITED 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		\$ 119,297	\$ 153,713
National School Lunch Program	10.555		682,251	826,677
Summer Food Service Program for Children	10.559		<u>32,054</u>	<u>29,623</u>
Total for cluster			<u>833,602</u>	<u>1,010,013</u>
Team Nutrition Grants	10.574		<u>6,075</u>	<u>-</u>
Total for federal grantor agency			<u>839,677</u>	<u>1,010,013</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				
Basic Grant	84.010	10-1835	18,857	-
Basic Grant		11-1835	173,169	221,970
Basic Grant		12-1835	-	286,490
School Improvement		10-1835	<u>50,337</u>	<u>43,943</u>
Total for program			<u>242,363</u>	<u>552,403</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	S389A90014	<u>113,258</u>	<u>49,189</u>
Total for cluster			<u>355,621</u>	<u>601,592</u>
Pass-Through DeKalb County Eastern Community School District				
Special Education Cluster (IDEA)				
ARRA - Special Education-Grants to States (IDEA, Part B), Recovery Act	84.391	H391A90084	<u>388,261</u>	<u>185,840</u>
Total for cluster			<u>388,261</u>	<u>185,840</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	FY 08-09	2,044	-
		FY 09-10	<u>6,951</u>	<u>6,911</u>
Total for program			<u>8,995</u>	<u>6,911</u>
English Language Acquisition Grants	84.365		<u>-</u>	<u>3,400</u>
Improving Teacher Quality State Grants	84.367	10-1835	40,756	52,503
		11-1835	<u>-</u>	<u>50,497</u>
Total for program			<u>40,756</u>	<u>103,000</u>
Education Jobs Fund	84.410	S410A100015	<u>350,000</u>	<u>281,355</u>
Total for federal grantor agency			<u>1,143,633</u>	<u>1,182,098</u>
Total federal awards expended			<u>\$ 1,983,310</u>	<u>\$ 2,192,111</u>

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

DEKALB COUNTY CENTRAL UNITED 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 Central United 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. 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	FY 2011	FY 2012
Child Nutrition Cluster:			
National School Lunch Program	10.555	\$ 83,598	\$ 98,251

DEKALB COUNTY CENTRAL UNITED 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?	yes
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?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.410	Child Nutrition Program Special Education Cluster (IDEA) Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-1 - ELIGIBILITY VERIFICATION

Federal Agency: U.S. Department of Agriculture
Federal Program: National School Lunch Program, School Breakfast Program
CFDA Number: 10.555, 10.553
Federal Award Number and Year: 1835 FY12
Pass-Through Entity: Indiana Department of Education

The Cafeteria Director verified the free and reduced price applications per the OMB Circular A-133 Compliance Supplement. For the school year 2011-2012, verification request letters of the required 16 applications were sent out. One of the applications that verification of income was received on should have been changed from reduced to paid, but was not. On another application not all income was verified as listed on the application. This application was not changed from free to paid.

7 CFR 245.6a (f) (vi) states in part:

"(7) Eligibility changes. Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially. The local educational agency must notify the household of any change. Households must be notified of any reduction in benefits in accordance with paragraph (j) of this section. Household with reduced benefits or that are no longer eligible for free or reduced price meals must be notified of their right to reapply at any time with documentation of income or participation in one of the eligible programs in paragraph (a)(1) of this section."

OMB Circular A-133 Section 300(b) states:

"Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation implement procedures that will increase the accuracy of the eligibility verification process.

FINDING 2012-2 - REPORTING

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program,
CFDA Number: 10.553, 10.555
Federal Award Number and Year: 1835 FY11 and FY12
Pass-Through Entity: Indiana Department of Education

The Cafeteria is maintained as an extra-curricular fund. The 2010-2011 and 2011-2012 annual financial reports submitted to the Indiana Department of Education for school lunch activity did not agree with the Financial Report School Extra-Curricular Account (Form SA5s). The annual financial report for the reporting period of July 1, 2010 to June 30, 2011, excluded \$70,712.91 in receipts, \$24,319.64 in disbursements, and \$85,879.94 ending cash balance as compared to the Financial Report School Extra-Curricular Account (Form SA5) for the same time period. The annual financial report for the reporting period of July 1,

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2011 to June 30, 2012 excluded \$31,103.49 in receipts, over reported \$9,798.06 in disbursements, and excluded \$123,781.49 in ending cash balance as compared to the Financial Report School Extra-Curricular Account (Form SA5) for the same time period.

The State Agency Sponsor Agreement for Child Nutrition Program states in part: "Program Administration. The Sponsor agrees to comply with all applicable laws, regulations, guidelines, and amendments thereto."

The Indiana Department of Education Sponsor Training Manual for School Nutrition Programs, Version 1.0, Chapter 9 states in part:

"At the end of each program year, each sponsor must submit an annual financial report that summarizes its financial participation in the School Nutrition Program. This report requires your organization to provide total amounts for income and expenses, and requires you to provide account and depreciation information."

OMB Circular A-133 section .300 (b) states that the auditee shall:

"Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended that the Annual Financial Report submitted to the Indiana Department of Education agree with the Financial Report School Extra-Curricular Account (Form SA5).

DeKalb County Central United School District

ADMINISTRATION

Sherry L. Grate Ed.D., Superintendent
Lynn M. Simmers, Assistant Superintendent
Angie M. Lockwood, Chief Financial Officer



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Tim Haynes, Secretary
Bruce Buttermore, Vice President
Luanne Betz-Gerig, Vice President
Heather Krebs, Vice President

CORRECTIVE ACTION PLAN

Finding Number 2012-1 – Eligibility Verification:

Federal Agency: U.S. Department of Agriculture
Federal Program: School Nutrition Cluster
CFDA Number: 10.555, 10.553
Federal Award Number and Year: 1835 FY12
Pass-Through Entity: Indiana Department of Education

Auditee Contact Person: Angie Lockwood
Title of Contact Person: Chief Financial Officer, DeKalb County Central United School District
Phone Number: (260) 920-1011 ext. 1064

Date: February 12, 2013

Corrective Action Plan:

DeKalb County Central United School District has added a second review to all verification requests. One employee will perform the verification of income and another employee will review it for accuracy.

3326 County Road 427 • Waterloo, IN 46793
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DeKalb County Central United School District

ADMINISTRATION

Sherry L. Grate Ed.D., Superintendent
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Angie M. Lockwood, Chief Financial Officer



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CORRECTIVE ACTION PLAN

Finding Number 2012-2 – Reporting:

Federal Agency: U.S. Department of Agriculture
Federal Program: School Nutrition Cluster
CFDA Number: 10.553, 10.555
Federal Award Number and Year: 1835 FY11 and FY12
Pass-Through Entity: Indiana Department of Education

Auditee Contact Person: Angie Lockwood
Title of Contact Person: Chief Financial Officer, DeKalb County Central United School District
Phone Number: (260) 920-1011 ext. 1064

Date: February 12, 2013

Corrective Action Plan:

Reconciliation procedures have been added to the Food Services accounting process to ensure that the Annual Financial Report submitted to the Department of Education agree with the Financial Report School Extra-Curricular Account (Form SA5).

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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 11, 2013, with Angela M. Lockwood, Treasurer; Sherry L. Grate, Superintendent of Schools; and Jay A. Baumgartner, President of the School Board. The officials concurred with our audit findings.