

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

DALEVILLE COMMUNITY SCHOOLS  
DELAWARE COUNTY, INDIANA

July 1, 2011 to June 30, 2013



**FILED**  
03/25/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Theresa Edwards	07-01-11 to 06-30-14
Superintendent of Schools	Paul Garrison	07-01-11 to 06-30-14
President of the School Board	Diane Evans	07-01-11 to 12-31-14



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE DALEVILLE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the Daleville Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

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

### ***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2014, 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 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* in considering the School Corporation's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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



Paul D. Joyce, CPA  
State Examiner

March 3, 2014



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE DALEVILLE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Daleville Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated March 3, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

***Compliance and Other Matters***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

March 3, 2014

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## 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.

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DALEVILLE COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 552,080	\$ 4,814,910	\$ 4,880,511	\$ 58,944	\$ 545,423	\$ 4,897,512	\$ 5,225,276	\$ 2,833	\$ 220,492
Debt Service	831,853	1,139,694	1,213,204	-	758,343	1,146,819	1,212,047	-	693,115
Retirement/Severance Bond Debt Service	41,974	69,668	70,753	-	40,889	71,167	73,168	-	38,888
Capital Projects	168,723	442,177	526,838	-	84,062	473,915	427,138	-	130,839
School Transportation	448,869	361,551	325,364	(270,000)	215,056	389,782	293,769	(170,000)	141,069
School Bus Replacement	64,614	93,622	78,232	-	80,004	108,421	125,356	-	63,069
Rainy Day	412,634	-	163,679	270,000	518,955	-	244,535	170,000	444,420
School Lunch	46,094	419,748	404,939	-	60,903	445,263	453,341	-	52,825
Textbook Rental	90,183	75,010	117,687	-	47,506	87,790	46,171	-	89,125
Educational License Plates	5,932	75	-	-	6,007	94	-	-	6,101
Donation Elementary Library	1,500	-	1,500	-	-	-	-	-	-
Donation Gift Trust	40	40	-	-	80	40	-	-	120
Donations Cape From PTO	80	-	13	-	67	-	-	-	67
Instruction Support Elementary Library	285	-	283	-	2	-	-	-	2
Kindergarten Donations	500	-	500	-	-	20	-	-	20
Donation/ Stinson/ Barhart/Evans	33	50	-	-	83	-	-	-	83
Donation FD Jacobson Kingergarten Barnhart	53	-	53	-	-	-	-	-	-
Hiday Kingergarten Donations	225	545	197	-	573	-	45	-	528
Gifts and Trusts	87	1,500	84	-	1,503	1,500	1,393	-	1,610
Class of 2009 Donations	-	238	-	-	238	-	-	-	238
Donation HS J Roberts Memorial	-	75	-	-	75	-	-	-	75
Donations Class of 1957	4	-	-	-	4	-	-	-	4
Car Club Donations	93	-	-	-	93	-	-	-	93
Pep Band Donations	100	-	-	-	100	-	-	-	100
Ball Brothers Foundation Grant	4	-	-	-	4	-	-	-	4
Donation Wellness Committee Corporation	-	500	-	-	500	-	-	-	500
Indiana Virtual Charter 2%	-	-	-	-	-	793	-	-	793
Gifted and Talented 2011-12	-	27,247	24,563	(47)	2,637	-	2,802	165	-
Gifted and Talented 2009-10	-	-	-	-	-	27,201	24,066	-	3,135
Extra-Curricular Activities	-	2,474	2,474	-	-	3,525	3,525	-	-
HS Extra Curricular Fund	-	7,678	7,678	-	-	7,713	7,713	-	-
Non-English Speaking Programs P.L. 273-1999	194	-	-	-	194	-	-	-	194
School Technology	3,986	12,127	7,286	-	8,827	11,667	15,069	-	5,425
Latch Key Fund	17,475	30,985	25,002	-	23,458	39,026	26,424	-	36,060
Title I 2011-2012	-	51,015	63,804	-	(12,789)	24,047	12,630	-	(1,372)
Title I 2012-2013	-	-	-	-	-	55,532	68,886	-	(13,354)
IDEA 2009-10	-	-	-	-	-	128,777	165,878	-	(37,101)
IDEA 2010-11	-	27,083	8,152	(18,931)	-	-	-	-	-
IDEA 2011-12	-	112,008	153,159	-	(41,151)	46,668	5,349	(168)	-
Drug Free Schools 2009	176	-	176	-	-	-	-	-	-
Drug Free Schools Title IV	-	314	314	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	38,433	20,303	(18,130)	-	17,465	17,465	-	-
Special Education - Part B	-	9,730	7,104	(2,480)	146	-	-	-	146
Education Jobs	-	69,674	50,318	(19,356)	-	2,818	-	(2,818)	-
Payroll Withholdings	35,096	1,149,918	1,149,918	-	35,096	2,393,249	2,364,224	-	64,121
<b>Totals</b>	<b>\$ 2,722,887</b>	<b>\$ 8,958,089</b>	<b>\$ 9,304,088</b>	<b>\$ -</b>	<b>\$ 2,376,888</b>	<b>\$ 10,380,804</b>	<b>\$ 10,816,270</b>	<b>\$ 12</b>	<b>\$ 1,941,434</b>

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

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

Local sources 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.

DALEVILLE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

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.

*F. Other Financing Sources and Uses*

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

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

DALEVILLE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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.

DALEVILLE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

DALEVILLE COMMUNITY SCHOOLS  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
 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.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of expenditures made from reimbursable grant funds for which reimbursement had not been received.

**Note 8. Restatements**

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2011	Prior Period Adjustment	Balance as of July 1, 2011
Payroll Withholding	\$ -	\$ 35,096	\$ 35,096

## 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.

DALEVILLE COMMUNITY SCHOOLS  
 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	Retirement Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 552,080	\$ 831,853	\$ 41,974	\$ 168,723	\$ 448,869	\$ 64,614	\$ 412,634	\$ 46,094	\$ 90,183
Receipts:									
Local sources	21,103	1,139,694	69,668	442,080	361,551	93,622	-	233,791	50,640
Intermediate sources	44	-	-	-	-	-	-	-	-
State sources	4,789,886	-	-	-	-	-	-	3,863	23,719
Federal sources	-	-	-	-	-	-	-	181,794	-
Other	3,877	-	-	97	-	-	-	300	651
Total receipts	<u>4,814,910</u>	<u>1,139,694</u>	<u>69,668</u>	<u>442,177</u>	<u>361,551</u>	<u>93,622</u>	<u>-</u>	<u>419,748</u>	<u>75,010</u>
Disbursements:									
Current:									
Instruction	2,981,935	-	-	-	-	-	-	-	-
Support services	1,801,117	-	-	392,783	296,976	78,232	101,314	553	117,687
Noninstructional services	81,396	-	-	-	-	-	-	404,386	-
Facilities acquisition and construction	16,063	-	-	134,055	28,388	-	62,365	-	-
Debt services	-	1,213,204	70,753	-	-	-	-	-	-
Total disbursements	<u>4,880,511</u>	<u>1,213,204</u>	<u>70,753</u>	<u>526,838</u>	<u>325,364</u>	<u>78,232</u>	<u>163,679</u>	<u>404,939</u>	<u>117,687</u>
Excess (deficiency) of receipts over disbursements	<u>(65,601)</u>	<u>(73,510)</u>	<u>(1,085)</u>	<u>(84,661)</u>	<u>36,187</u>	<u>15,390</u>	<u>(163,679)</u>	<u>14,809</u>	<u>(42,677)</u>
Other financing sources (uses):									
Transfers in	64,385	-	-	-	-	-	270,000	-	-
Transfers out	(5,441)	-	-	-	(270,000)	-	-	-	-
Total other financing sources (uses)	<u>58,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(270,000)</u>	<u>-</u>	<u>270,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,657)</u>	<u>(73,510)</u>	<u>(1,085)</u>	<u>(84,661)</u>	<u>(233,813)</u>	<u>15,390</u>	<u>106,321</u>	<u>14,809</u>	<u>(42,677)</u>
Cash and investments - ending	<u>\$ 545,423</u>	<u>\$ 758,343</u>	<u>\$ 40,889</u>	<u>\$ 84,062</u>	<u>\$ 215,056</u>	<u>\$ 80,004</u>	<u>\$ 518,955</u>	<u>\$ 60,903</u>	<u>\$ 47,506</u>

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

	Educational License Plates	Donation Elementary Library	Donation Gift Trust	Donations Cape From PTO	Instruction Support Elementary Library	Kindergarten Donations	Donation/ Stinson/ Barhart/ Evans	Donation FD Jacobson Kingergarten Barnhart	Hiday Kingergarten Donations
Cash and investments - beginning	\$ 5,932	\$ 1,500	\$ 40	\$ 80	\$ 285	\$ 500	\$ 33	\$ 53	\$ 225
Receipts:									
Local sources	-	-	40	-	-	-	50	-	545
Intermediate sources	75	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	75	-	40	-	-	-	50	-	545
Disbursements:									
Current:									
Instruction	-	-	-	13	-	500	-	53	197
Support services	-	1,500	-	-	283	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,500	-	13	283	500	-	53	197
Excess (deficiency) of receipts over disbursements	75	(1,500)	40	(13)	(283)	(500)	50	(53)	348
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75	(1,500)	40	(13)	(283)	(500)	50	(53)	348
Cash and investments - ending	\$ 6,007	\$ -	\$ 80	\$ 67	\$ 2	\$ -	\$ 83	\$ -	\$ 573

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

	Gifts and Trusts	Class of 2009 Donations	Donation HS J Roberts Memorial	Donations Class of 1957	Car Club Donations	Pep Band Donations	Ball Brothers Foundation Grant	Donation Wellness Committee Corporation
Cash and investments - beginning	\$ 87	\$ -	\$ -	\$ 4	\$ 93	\$ 100	\$ 4	\$ -
Receipts:								
Local sources	1,500	238	75	-	-	-	-	500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>1,500</u>	<u>238</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	84	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,416</u>	<u>238</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Other financing sources (uses):								
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>1,416</u>	<u>238</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Cash and investments - ending	<u>\$ 1,503</u>	<u>\$ 238</u>	<u>\$ 75</u>	<u>\$ 4</u>	<u>\$ 93</u>	<u>\$ 100</u>	<u>\$ 4</u>	<u>\$ 500</u>

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

	Gifted and Talented 2011-12	Extra-Curricular Activities	HS Extra Curricular Fund	Non-English Speaking Programs P.L. 273-1999	School Technology	Latch Key Fund	Title I 2011-2012	IDEA 2010-11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 194	\$ 3,986	\$ 17,475	\$ -	\$ -
Receipts:								
Local sources	-	2,474	7,678	-	5,551	30,985	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	27,247	-	-	-	6,576	-	-	-
Federal sources	-	-	-	-	-	-	51,015	27,083
Other	-	-	-	-	-	-	-	-
Total receipts	<u>27,247</u>	<u>2,474</u>	<u>7,678</u>	<u>-</u>	<u>12,127</u>	<u>30,985</u>	<u>51,015</u>	<u>27,083</u>
Disbursements:								
Current:								
Instruction	22,563	404	1,025	-	-	-	63,804	3,507
Support services	2,000	2,070	6,653	-	7,286	-	-	4,645
Noninstructional services	-	-	-	-	-	25,002	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	<u>24,563</u>	<u>2,474</u>	<u>7,678</u>	<u>-</u>	<u>7,286</u>	<u>25,002</u>	<u>63,804</u>	<u>8,152</u>
Excess (deficiency) of receipts over disbursements	<u>2,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,841</u>	<u>5,983</u>	<u>(12,789)</u>	<u>18,931</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	3,764
Transfers out	(47)	-	-	-	-	-	-	(22,695)
Total other financing sources (uses)	<u>(47)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,931)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,841</u>	<u>5,983</u>	<u>(12,789)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194</u>	<u>\$ 8,827</u>	<u>\$ 23,458</u>	<u>\$ (12,789)</u>	<u>\$ -</u>

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

	IDEA 2011-12	Drug Free Schools 2009	Drug Free Schools Title IV	Improving Teaching Quality, No Child Left, Title II Part A	Special Education - Part B	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 176	\$ -	\$ -	\$ -	\$ -	\$ 35,096	\$ 2,722,887
Receipts:								
Local sources	-	-	-	-	3,141	-	-	2,464,926
Intermediate sources	-	-	-	-	-	-	-	119
State sources	-	-	-	-	-	-	-	4,851,291
Federal sources	112,008	-	314	38,433	6,589	69,674	-	486,910
Other	-	-	-	-	-	-	1,149,918	1,154,843
Total receipts	<u>112,008</u>	<u>-</u>	<u>314</u>	<u>38,433</u>	<u>9,730</u>	<u>69,674</u>	<u>1,149,918</u>	<u>8,958,089</u>
Disbursements:								
Current:								
Instruction	78,877	-	-	20,303	7,104	50,318	-	3,230,603
Support services	74,282	176	314	-	-	-	-	2,887,955
Noninstructional services	-	-	-	-	-	-	-	510,784
Facilities acquisition and construction	-	-	-	-	-	-	-	240,871
Debt services	-	-	-	-	-	-	1,149,918	2,433,875
Total disbursements	<u>153,159</u>	<u>176</u>	<u>314</u>	<u>20,303</u>	<u>7,104</u>	<u>50,318</u>	<u>1,149,918</u>	<u>9,304,088</u>
Excess (deficiency) of receipts over disbursements	<u>(41,151)</u>	<u>(176)</u>	<u>-</u>	<u>18,130</u>	<u>2,626</u>	<u>19,356</u>	<u>-</u>	<u>(345,999)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	1,677	-	339,826
Transfers out	-	-	-	(18,130)	(2,480)	(21,033)	-	(339,826)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,130)</u>	<u>(2,480)</u>	<u>(19,356)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(41,151)</u>	<u>(176)</u>	<u>-</u>	<u>-</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>(345,999)</u>
Cash and investments - ending	<u>\$ (41,151)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 35,096</u>	<u>\$ 2,376,888</u>

DALEVILLE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 545,423	\$ 758,343	\$ 40,889	\$ 84,062	\$ 215,056	\$ 80,004	\$ 518,955	\$ 60,903	\$ 47,506
Receipts:									
Local sources	25,679	1,146,819	71,167	461,511	389,782	108,421	-	238,320	61,952
Intermediate sources	133	-	-	-	-	-	-	-	-
State sources	4,869,933	-	-	-	-	-	-	4,487	25,437
Federal sources	-	-	-	-	-	-	-	202,156	-
Temporary loans	-	-	-	12,372	-	-	-	-	-
Other	1,767	-	-	32	-	-	-	300	401
Total receipts	4,897,512	1,146,819	71,167	473,915	389,782	108,421	-	445,263	87,790
Disbursements:									
Current:									
Instruction	3,104,025	-	-	-	-	-	-	-	-
Support services	2,030,634	-	-	348,489	285,256	125,356	229,088	613	46,171
Noninstructional services	86,217	-	-	-	-	-	-	452,728	-
Facilities acquisition and construction	4,400	-	-	78,649	8,513	-	15,447	-	-
Debt services	-	1,212,047	73,168	-	-	-	-	-	-
Total disbursements	5,225,276	1,212,047	73,168	427,138	293,769	125,356	244,535	453,341	46,171
Excess (deficiency) of receipts over disbursements	(327,764)	(65,228)	(2,001)	46,777	96,013	(16,935)	(244,535)	(8,078)	41,619
Other financing sources (uses):									
Sale of capital assets	12	-	-	-	-	-	-	-	-
Transfers in	2,986	-	-	-	-	-	170,000	-	-
Transfers out	(165)	-	-	-	(170,000)	-	-	-	-
Total other financing sources (uses)	2,833	-	-	-	(170,000)	-	170,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(324,931)	(65,228)	(2,001)	46,777	(73,987)	(16,935)	(74,535)	(8,078)	41,619
Cash and investments - ending	\$ 220,492	\$ 693,115	\$ 38,888	\$ 130,839	\$ 141,069	\$ 63,069	\$ 444,420	\$ 52,825	\$ 89,125

DALEVILLE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Educational License Plates	Donation Gift Trust	Donations Cape From PTO	Instruction Support Elementary Library	Kindergarten Donations	Donation/ Stinson/ Barhart/ Evans	Hiday Kindergarten Donations	Gifts and Trusts
Cash and investments - beginning	\$ 6,007	\$ 80	\$ 67	\$ 2	\$ -	\$ 83	\$ 573	\$ 1,503
Receipts:								
Local sources	-	40	-	-	20	-	-	1,500
Intermediate sources	94	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	94	40	-	-	20	-	-	1,500
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	45	-
Support services	-	-	-	-	-	-	-	1,393
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	45	1,393
Excess (deficiency) of receipts over disbursements	94	40	-	-	20	-	(45)	107
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	94	40	-	-	20	-	(45)	107
Cash and investments - ending	\$ 6,101	\$ 120	\$ 67	\$ 2	\$ 20	\$ 83	\$ 528	\$ 1,610

DALEVILLE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Class of 2009 Donations	Donation HS J Roberts Memorial	Donations Class of 1957	Car Club Donations	Pep Band Donations	Ball Brothers Foundation Grant	Donation Wellness Committee Corporation	Indiana Virtual Charter 2%
Cash and investments - beginning	\$ 238	\$ 75	\$ 4	\$ 93	\$ 100	\$ 4	\$ 500	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	793
Total receipts	-	-	-	-	-	-	-	793
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	793
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	793
Cash and investments - ending	<u>\$ 238</u>	<u>\$ 75</u>	<u>\$ 4</u>	<u>\$ 93</u>	<u>\$ 100</u>	<u>\$ 4</u>	<u>\$ 500</u>	<u>\$ 793</u>

DALEVILLE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Gifted and Talented 2011-12	Gifted and Talented 2009-10	Extra-Curricular Activities	HS Extra Curricular Fund	Non-English Speaking Programs P.L. 273-1999	School Technology	Latch Key Fund	Title I 2011-2012
Cash and investments - beginning	\$ 2,637	\$ -	\$ -	\$ -	\$ 194	\$ 8,827	\$ 23,458	\$ (12,789)
Receipts:								
Local sources	-	-	3,525	7,713	-	4,566	39,026	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	27,201	-	-	-	7,101	-	-
Federal sources	-	-	-	-	-	-	-	24,047
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	27,201	3,525	7,713	-	11,667	39,026	24,047
Disbursements:								
Current:								
Instruction	2,802	19,861	300	1,015	-	-	-	12,630
Support services	-	4,205	3,225	6,698	-	15,069	-	-
Noninstructional services	-	-	-	-	-	-	26,424	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	2,802	24,066	3,525	7,713	-	15,069	26,424	12,630
Excess (deficiency) of receipts over disbursements	(2,802)	3,135	-	-	-	(3,402)	12,602	11,417
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	165	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	165	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,637)	3,135	-	-	-	(3,402)	12,602	11,417
Cash and investments - ending	\$ -	\$ 3,135	\$ -	\$ -	\$ 194	\$ 5,425	\$ 36,060	\$ (1,372)

DALEVILLE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Title I 2012-2013	IDEA 2009-10	IDEA 2011-12	Improving Teaching Quality, No Child Left, Title II Part A	Special Education- Part B	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (41,151)	\$ -	\$ 146	\$ -	\$ 35,096	\$ 2,376,888
Receipts:								
Local sources	-	-	-	-	-	-	-	2,560,041
Intermediate sources	-	-	-	-	-	-	-	227
State sources	-	-	-	-	-	-	-	4,934,159
Federal sources	55,532	128,777	46,668	17,465	-	2,818	-	477,463
Temporary loans	-	-	-	-	-	-	-	12,372
Other	-	-	-	-	-	-	2,393,249	2,396,542
Total receipts	<u>55,532</u>	<u>128,777</u>	<u>46,668</u>	<u>17,465</u>	<u>-</u>	<u>2,818</u>	<u>2,393,249</u>	<u>10,380,804</u>
Disbursements:								
Current:								
Instruction	68,886	88,426	2,111	-	-	-	-	3,300,101
Support services	-	77,452	3,238	17,465	-	-	-	3,194,352
Noninstructional services	-	-	-	-	-	-	-	565,369
Facilities acquisition and construction	-	-	-	-	-	-	-	107,009
Debt services	-	-	-	-	-	-	2,364,224	3,649,439
Total disbursements	<u>68,886</u>	<u>165,878</u>	<u>5,349</u>	<u>17,465</u>	<u>-</u>	<u>-</u>	<u>2,364,224</u>	<u>10,816,270</u>
Excess (deficiency) of receipts over disbursements	<u>(13,354)</u>	<u>(37,101)</u>	<u>41,319</u>	<u>-</u>	<u>-</u>	<u>2,818</u>	<u>29,025</u>	<u>(435,466)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	12
Transfers in	-	-	-	-	-	-	-	173,151
Transfers out	-	-	(168)	-	-	(2,818)	-	(173,151)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(168)</u>	<u>-</u>	<u>-</u>	<u>(2,818)</u>	<u>-</u>	<u>12</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(13,354)</u>	<u>(37,101)</u>	<u>41,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,025</u>	<u>(435,454)</u>
Cash and investments - ending	<u>\$ (13,354)</u>	<u>\$ (37,101)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 64,121</u>	<u>\$ 1,941,434</u>

DALEVILLE COMMUNITY SCHOOLS  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Common Sch loan/cpf loan	\$ 23,402	\$ 23,987
General obligation bonds	Holding bonds 96 & 05/retirement bonds	<u>8,034,937</u>	<u>1,226,886</u>
Totals		<u>\$ 8,058,339</u>	<u>\$ 1,250,873</u>

DALEVILLE COMMUNITY SCHOOLS  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 10,000
Buildings	11,867,659
Machinery, equipment, and vehicles	<u>1,422,104</u>
Total capital assets	<u>\$ 13,299,763</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE DALEVILLE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited the Daleville Community Schools' (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, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

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

***Report on Internal Control Over Compliance***

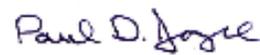
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

March 3, 2014

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

DALEVILLE COMMUNITY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department Education	10.553			
			FY 2012	\$ 31,591	\$ -
			FY 2013	-	37,924
				<u>31,591</u>	<u>37,924</u>
Total - School Breakfast Program					
National School Lunch Program	Indiana Department Education	10.555			
			FY 2012	170,922	-
			FY 2013	-	188,383
				<u>170,922</u>	<u>188,383</u>
Total - National School Lunch Program					
Total - Federal Grantor Agency				<u>202,513</u>	<u>226,307</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			12-940	51,015	24,047
			13-940	-	55,532
				<u>51,015</u>	<u>79,579</u>
Total -Title I, Part A Cluster					
Special Education Cluster	Delaware Blackford Co.Special Ed Co-op	84.027			
Special Education - Grants to States			14212-010-PN01	70,228	88,448
			14211-010-PN01	27,083	-
			14213-010-PN01	-	128,776
				<u>97,311</u>	<u>217,224</u>
Total - Special Education - Grants to States					

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

DALEVILLE COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2012 and 2013  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Education (continued)</u>					
Special Education Cluster (continued)					
ARRA Special Education - Grants to States, Recovery Act		84.391	14211-010-PN01	9,583	-
Total - ARRA Special Education - Grants to States, Recovery Act				9,583	-
Total - Special Education Cluster				106,894	217,224
Safe and Drug-Free Schools and Communities - State Grants	Indiana Department of Education	84.186	10-940 09-940	176	-
				314	-
Total - Safe and Drug-Free Schools and Communities - State Grants				490	-
Improving Teachers Quality State Grants	Indiana Department of Education	84.367			
T-II Part A/Lindsey Sharp Payroll			SY 11-12	38,433	-
Title II /8step/Stipends			SY 12-13	-	17,465
Total - Improving Teacher Quality State Grants				38,433	17,465
Education Jobs Fund	Indiana Department of Education	84.410			
			FY 2010-2011	71,350	2,818
Total - Federal Grantor Agency				268,182	317,086
Total federal awards expended				\$ 470,695	\$ 543,393

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

DALEVILLE COMMUNITY SCHOOLS  
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 Daleville Schools (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, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
National School Lunch Program	10.555	\$ 20,719	\$ 24,151

DALEVILLE COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title I, Part A Cluster

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.

**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2013-001 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO NATIONAL SCHOOL LUNCH PROGRAM AND THE SCHOOL BREAKFAST PROGRAM**

Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program and the School Breakfast Program  
CFDA Number: 10.555 and 10.553  
Federal Award Number and Year (or Other Identifying Number): FY 2012 and FY 2013  
Pass-Through Entity: Indiana Department of Education

DALEVILLE COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Reporting and Special Tests and Provisions. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

***FINDING 2013-002 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-940, 13940

Pass-Through Entity: Indiana Department of Education

Management of the Daleville Community School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Cash Management; Period of Availability; Reporting; and Matching, Level of Effort and Earmarking. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

DALEVILLE COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2011-1

Original SBA Audit Report Number:

464107

Fiscal Year

2009-2011

Auditee Contact Person

Theresa Edwards

Title of Contact Person

Corp Treasurer

Phone Number

765-378-3329

Status of Finding:

Grants became reimbursements, funds requested after expended, no cash requested before it is expended out.



# Daleville Community Schools

14300 West 2nd Street • Daleville, Indiana 47334-9125  
Telephone (765) 378-3329 • FAX (765) 378-3649

## Audit Findings

### Corrective Action Plan

March 10, 2014

#### FINDING 2013-001 – Internal Controls over compliance requirements that have a direct and material effect to the National School Lunch program and The School Breakfast Program

Federal Agency: U.S. Department of Agriculture

Federal Program: National School Lunch Program and the School Breakfast Program

CFDA Number: 10.555 and 10.553

Federal Award number and Year: FY 2012 and FY 2013

Pass-Through Entity: Indiana Department of Education

The corporation will immediately institute new internal guidelines that will result in all reports to be reviewed by a second party. This will involve a report being compiled and signed by a Food Service Employee and then submitted to the Director of Food Services for review and signed approval for compliance and accuracy, or in the case of Free and Reduced Lunch applications for the report to be compiled and signed by the Food Service Director and then submitted to corporation Deputy Treasurer for review and signed approval for compliance and accuracy.

#### FINDING 2013-002 – Internal Controls over compliance requirements that have a direct and material effect to Title I Grants to Local Education Agencies

Federal Agency: U.S. Department of Agriculture

Federal Program: title I Grants to Local Education Agencies

CFDA Number: 84.010

Federal Award number and Year: FY 2011-2012 and FY 2012-2013

Pass-Through Entity: Indiana Department of Education

The corporation will immediately institute new internal guidelines that will result in all reports and purchase requests to be reviewed by a second party. This will involve a report or purchase request being compiled and signed by the Title I Director and then submitted to Central Office Personnel for review and signed approval for compliance to the grant and accuracy. This will occur before a purchase is made or pay roll is paid for staff paid through school Title I Grants. The review and approval process at the Central Office Level will also check current funding availability and grant budget compliance.

  
Paul Garrison, Superintendent  
Daleville Community Schools

3/10/2014



DALEVILLE COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2014, with Theresa Edwards, Treasurer; Paul Garrison, Superintendent of Schools; and Diane Evans, President of the School Board.