

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

DEKALB COUNTY EASTERN  
COMMUNITY SCHOOL DISTRICT  
DEKALB COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
03/08/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Philip Carpenter Allyson Grimm	07-01-12 to 06-30-14 07-01-14 to 12-31-16
Superintendent of Schools	Dr. Jeffrey Stephens	07-01-12 to 06-30-16
President of the School Board	Leon Steury	07-01-12 to 12-31-16



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INDEPENDENT AUDITOR'S REPORT

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

***Report on the Financial Statement***

We have audited the accompanying financial statement of the DeKalb County Eastern Community School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, 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, 2012 to June 30, 2014.

***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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is February 18, 2016, 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.

  
Paul D. Joyce, CPA  
State Examiner

February 10, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is February 18, 2016



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

TO: THE OFFICIALS OF THE DEKALB COUNTY EASTERN COMMUNITY  
SCHOOL DISTRICT, DEKALB 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 DeKalb County Eastern Community School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated February 10, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is February 18, 2016, 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

February 10, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is  
February 18, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-12	Receipts	Disbursements	Sources (Uses)	06-30-13	Receipts	Disbursements	Sources (Uses)	06-30-14	
General	\$ 791,300	\$ 9,525,420	\$ 9,632,441	\$ -	\$ 684,279	\$ 9,388,404	\$ 9,443,239	\$ -	\$ 629,444	
Debt Service	1,090,613	4,816,217	4,642,515	-	1,264,315	4,469,699	4,410,429	-	1,323,585	
Capital Projects	1,252,430	3,622,041	3,679,523	-	1,194,948	3,821,775	3,773,319	(36,675)	1,206,729	
School Transportation	536,687	1,844,617	1,828,347	41,347	594,304	1,697,012	1,673,182	(114,750)	503,384	
School Bus Replacement	62,177	143,611	133,889	-	71,899	289,740	201,289	-	160,350	
Rainy Day	1,200,832	-	288,001	-	912,831	-	64,255	151,425	1,000,001	
Construction	43,895	50	-	-	43,945	110,315	154,260	-	-	
School Lunch	441,542	684,188	686,839	-	438,891	664,293	683,212	-	419,972	
Textbook Rental	147,377	72,334	26,082	-	193,629	80,397	163,595	-	110,431	
Levy Excess	31,378	12,719	-	(41,347)	2,750	-	-	-	2,750	
Joint Services and Supply - Special Education Cooperative	1,070,928	5,178,494	4,839,722	-	1,409,700	6,190,400	5,526,329	-	2,073,771	
Coop Administrative Hearing	26,003	-	-	-	26,003	-	-	-	26,003	
Joint Services and Supply - Area Vocational School	729,095	3,912,525	3,656,394	230	985,456	3,791,514	3,765,193	-	1,011,777	
ABE 11-12 Workforce Development	-	7,746	11,610	3,864	-	-	-	-	-	
Educational License Plates	58	75	-	-	133	56	90	-	99	
Alternative Education	-	14,190	14,190	-	-	15,390	15,390	-	-	
Coop Donation	3,690	5,800	5,709	-	3,781	5,580	4,006	-	5,355	
Insurance Stabilization	33,524	39	-	-	33,563	15,047	11,269	-	37,341	
Teacher Grant	20,545	8,244	15,970	-	12,819	17,623	13,121	-	17,321	
C.A.S.E.	-	35,086	35,192	2,863	2,757	41,867	35,381	-	9,243	
High Ability 12-13	-	31,461	19,136	-	12,325	-	12,325	-	-	
High Ability 13-14	-	-	-	-	-	30,357	6,653	-	23,704	
High Ability 11-12	7,224	-	7,224	-	-	-	-	-	-	
Instruction Support	2,863	-	-	(2,863)	-	-	-	-	-	
Adult and Continuing Education	249	258,027	152,952	(3,864)	101,460	74,633	109,751	-	66,342	
Insurance Consortium	8,081	81,927	77,477	-	12,531	55,859	63,126	-	5,264	
Extra-Curricular Activities	57	1,181	1,181	-	57	343	343	-	57	
School Technology	3,478	6,057	7,455	(2,080)	-	5,880	4,308	-	1,572	
IMPACT Technology Grant	-	4,839	3,390	2,080	3,529	4,313	4,789	-	3,053	
Miscellaneous Programs	44,048	-	-	(44,048)	-	-	-	-	-	
Vocational Business Administration	-	94,502	100,090	44,048	38,460	78,528	44,430	-	72,558	
CTE Technology	-	-	-	-	-	14,820	14,800	-	20	
Title I 11-12	(63,379)	207,185	143,806	-	-	-	-	-	-	
Title I 12-13	-	25,181	109,332	-	(84,151)	200,515	116,364	-	-	
Title I 13-14	-	-	-	-	-	4,178	64,029	-	(59,851)	
Special Education Preschool 11-12	(328)	328	-	-	-	-	-	-	-	
Special Education Preschool 12-13	-	177,531	177,531	-	-	-	-	-	-	
Special Education Preschool 13-14	-	-	-	-	-	167,623	167,623	-	-	
Perkins Grant 11-12	(8,453)	51,009	42,556	-	-	-	-	-	-	
Perkins Grant 12-13	-	297,200	307,817	-	(10,617)	65,483	54,866	-	-	
Perkins Grant 13-14	-	-	-	-	-	310,620	345,918	-	(35,298)	
ABE 12-13	-	326,864	414,051	-	(87,187)	129,474	56,525	-	(14,238)	
Adult Education Workforce Development	-	-	-	-	-	539,667	581,424	-	(41,757)	
Special Education IDEA Grant 11-12	(259,708)	2,067,372	1,807,664	-	-	-	-	-	-	
Special Education IDEA Grant 12-13	-	3,420,947	3,682,727	-	(261,780)	2,221,978	1,960,198	-	-	
Special Education IDEA Grant 13-14	-	-	-	-	-	3,653,274	3,982,193	-	(328,919)	
IDEA TA Grant 13-14	-	-	-	-	-	48,876	49,632	-	(756)	
Title II, Part A 11-12	(1,723)	26,097	24,374	-	-	-	-	-	-	
Title II, Part A 12-13	-	30,547	33,533	-	(2,986)	7,105	4,119	-	-	
Title II, Part A 13-14	-	-	-	-	-	26,610	26,610	-	-	
Education Jobs	-	6,091	6,091	-	-	-	-	-	-	
Payroll Clearing	-	14,979,516	14,979,492	-	24	16,424,054	16,424,078	-	-	
Prepaid Student Lunch Fees	8,259	15,531	15,334	-	8,456	13,034	13,565	-	7,925	
<b>Totals</b>	<b>\$ 7,222,742</b>	<b>\$ 51,992,789</b>	<b>\$ 51,609,637</b>	<b>\$ 230</b>	<b>\$ 7,606,124</b>	<b>\$ 54,676,336</b>	<b>\$ 54,045,228</b>	<b>\$ -</b>	<b>\$ 8,237,232</b>	

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 may 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.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
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.

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 may 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.

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

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.

*F. Other Financing Sources and Uses*

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

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

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

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

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

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

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

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up as reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014.

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

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with DeKalb Eastern High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$3,010,000 and \$3,010,000, respectively.

**Note 9. Combined Funds**

The School Corporation combined prior funds of Adult and Continuing Education, 11-12 ABE Workforce Development Grant, 2012 CLA WorkOne Microgrant, 2012 MSSC WorkOne Microgrant, 2012 NIMS WorkOne Microgrant, 2012 Healthcare WorkOne Microgrant into one fund for this reporting period. Prior ending balances were \$133,143, (\$118,894), (\$3,500), (\$3,500), (\$3,500) and (\$3,500), respectively, for a current beginning Adult and Continuing Education beginning balance of \$249.

The School Corporation also combined prior funds of School Technology and Vocational Coop Technology Grant into one fund for this reporting period. Prior ending balances were \$1,398 and \$2,080, respectively, for a current beginning School Technology balance of \$3,478.

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#### OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 791,300	\$ 1,090,613	\$ 1,252,430	\$ 536,687	\$ 62,177	\$ 1,200,832	\$ 43,895	\$ 441,542
Receipts:								
Local sources	84,567	3,029,686	2,618,684	1,218,124	103,309	-	50	320,970
Intermediate sources	10	-	-	-	-	-	-	-
State sources	9,440,426	-	-	-	-	-	-	7,324
Federal sources	162	-	-	-	-	-	-	355,894
Temporary loans	-	1,361,051	603,357	616,940	14,822	-	-	-
Interfund loans	-	425,480	400,000	-	25,480	-	-	-
Other	255	-	-	9,553	-	-	-	-
Total receipts	<u>9,525,420</u>	<u>4,816,217</u>	<u>3,622,041</u>	<u>1,844,617</u>	<u>143,611</u>	<u>-</u>	<u>50</u>	<u>684,188</u>
Disbursements:								
Current:								
Instruction	6,213,942	-	-	-	-	-	-	-
Support services	3,261,887	-	1,496,292	1,195,420	108,409	288,001	-	12,965
Noninstructional services	156,562	-	-	-	-	-	-	673,874
Facilities acquisition and construction	50	-	1,594,689	37,080	-	-	-	-
Debt services	-	4,217,035	188,542	595,847	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	425,480	400,000	-	25,480	-	-	-
Total disbursements	<u>9,632,441</u>	<u>4,642,515</u>	<u>3,679,523</u>	<u>1,828,347</u>	<u>133,889</u>	<u>288,001</u>	<u>-</u>	<u>686,839</u>
Excess (deficiency) of receipts over disbursements	<u>(107,021)</u>	<u>173,702</u>	<u>(57,482)</u>	<u>16,270</u>	<u>9,722</u>	<u>(288,001)</u>	<u>50</u>	<u>(2,651)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	41,347	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(107,021)</u>	<u>173,702</u>	<u>(57,482)</u>	<u>57,617</u>	<u>9,722</u>	<u>(288,001)</u>	<u>50</u>	<u>(2,651)</u>
Cash and investments - ending	<u>\$ 684,279</u>	<u>\$ 1,264,315</u>	<u>\$ 1,194,948</u>	<u>\$ 594,304</u>	<u>\$ 71,899</u>	<u>\$ 912,831</u>	<u>\$ 43,945</u>	<u>\$ 438,891</u>

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

	Textbook Rental	Levy Excess	Joint Services and Supply - Special Education Cooperative	Coop Administrative Hearing	Joint Services and Supply - Area Vocational School	ABE 11-12 Workforce Development	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ 147,377	\$ 31,378	\$ 1,070,928	\$ 26,003	\$ 729,095	\$ -	\$ 58	\$ -
Receipts:								
Local sources	32,993	12,719	5,177,751	-	96,168	7,746	-	-
Intermediate sources	-	-	-	-	-	-	75	-
State sources	39,341	-	-	-	3,816,357	-	-	14,190
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	743	-	-	-	-	-
Total receipts	<u>72,334</u>	<u>12,719</u>	<u>5,178,494</u>	<u>-</u>	<u>3,912,525</u>	<u>7,746</u>	<u>75</u>	<u>14,190</u>
Disbursements:								
Current:								
Instruction	-	-	1,324,166	-	2,249,502	1,169	-	14,190
Support services	26,082	-	3,481,217	-	1,364,428	10,441	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	34,339	-	42,464	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>26,082</u>	<u>-</u>	<u>4,839,722</u>	<u>-</u>	<u>3,656,394</u>	<u>11,610</u>	<u>-</u>	<u>14,190</u>
Excess (deficiency) of receipts over disbursements	<u>46,252</u>	<u>12,719</u>	<u>338,772</u>	<u>-</u>	<u>256,131</u>	<u>(3,864)</u>	<u>75</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	230	-	-	-
Transfers in	-	-	-	-	-	3,864	-	-
Transfers out	-	(41,347)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(41,347)</u>	<u>-</u>	<u>-</u>	<u>230</u>	<u>3,864</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>46,252</u>	<u>(28,628)</u>	<u>338,772</u>	<u>-</u>	<u>256,361</u>	<u>-</u>	<u>75</u>	<u>-</u>
Cash and investments - ending	<u>\$ 193,629</u>	<u>\$ 2,750</u>	<u>\$ 1,409,700</u>	<u>\$ 26,003</u>	<u>\$ 985,456</u>	<u>\$ -</u>	<u>\$ 133</u>	<u>\$ -</u>

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

	Coop Donation	Insurance Stabilization	Teacher Grant	C.A.S.E.	High Ability 12-13	High Ability 13-14	High Ability 11-12	Instruction Support
Cash and investments - beginning	\$ 3,690	\$ 33,524	\$ 20,545	\$ -	\$ -	\$ -	\$ 7,224	\$ 2,863
Receipts:								
Local sources	5,800	39	4,044	35,086	-	-	-	-
Intermediate sources	-	-	4,200	-	-	-	-	-
State sources	-	-	-	-	31,461	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	5,800	39	8,244	35,086	31,461	-	-	-
Disbursements:								
Current:								
Instruction	2,943	-	7,200	-	19,136	-	7,224	-
Support services	2,766	-	8,770	35,192	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	5,709	-	15,970	35,192	19,136	-	7,224	-
Excess (deficiency) of receipts over disbursements	91	39	(7,726)	(106)	12,325	-	(7,224)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	2,863	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(2,863)
Total other financing sources (uses)	-	-	-	2,863	-	-	-	(2,863)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	91	39	(7,726)	2,757	12,325	-	(7,224)	(2,863)
Cash and investments - ending	\$ 3,781	\$ 33,563	\$ 12,819	\$ 2,757	\$ 12,325	\$ -	\$ -	\$ -

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

	Adult and Continuing Education	Insurance Consortium	Extra- Curricular Activities	School Technology	IMPACT Technology Grant	Miscellaneous Programs	Vocational Business Administration	CTE Technology
Cash and investments - beginning	\$ 249	\$ 8,081	\$ 57	\$ 3,478	\$ -	\$ 44,048	\$ -	\$ -
Receipts:								
Local sources	258,027	81,927	1,181	-	-	-	55,277	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	6,057	4,839	-	39,225	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>258,027</u>	<u>81,927</u>	<u>1,181</u>	<u>6,057</u>	<u>4,839</u>	<u>-</u>	<u>94,502</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	149,678	-	-	-	-	-	26,800	-
Support services	3,274	77,477	-	7,455	3,390	-	73,290	-
Noninstructional services	-	-	1,181	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>152,952</u>	<u>77,477</u>	<u>1,181</u>	<u>7,455</u>	<u>3,390</u>	<u>-</u>	<u>100,090</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>105,075</u>	<u>4,450</u>	<u>-</u>	<u>(1,398)</u>	<u>1,449</u>	<u>-</u>	<u>(5,588)</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	2,080	-	44,048	-
Transfers out	<u>(3,864)</u>	<u>-</u>	<u>-</u>	<u>(2,080)</u>	<u>-</u>	<u>(44,048)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,864)</u>	<u>-</u>	<u>-</u>	<u>(2,080)</u>	<u>2,080</u>	<u>(44,048)</u>	<u>44,048</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>101,211</u>	<u>4,450</u>	<u>-</u>	<u>(3,478)</u>	<u>3,529</u>	<u>(44,048)</u>	<u>38,460</u>	<u>-</u>
Cash and investments - ending	<u>\$ 101,460</u>	<u>\$ 12,531</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 3,529</u>	<u>\$ -</u>	<u>\$ 38,460</u>	<u>\$ -</u>

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

	Title I 11-12	Title I 12-13	Title I 13-14	Special Education Preschool 11-12	Special Education Preschool 12-13	Special Education Preschool 13-14	Perkins Grant 11-12	Perkins Grant 12-13
Cash and investments - beginning	\$ (63,379)	\$ -	\$ -	\$ (328)	\$ -	\$ -	\$ (8,453)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	207,185	25,181	-	328	177,531	-	51,009	297,200
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>207,185</u>	<u>25,181</u>	<u>-</u>	<u>328</u>	<u>177,531</u>	<u>-</u>	<u>51,009</u>	<u>297,200</u>
Disbursements:								
Current:								
Instruction	112,216	81,526	-	-	177,531	-	42,556	127,276
Support services	29,423	26,806	-	-	-	-	-	180,541
Noninstructional services	2,167	1,000	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>143,806</u>	<u>109,332</u>	<u>-</u>	<u>-</u>	<u>177,531</u>	<u>-</u>	<u>42,556</u>	<u>307,817</u>
Excess (deficiency) of receipts over disbursements	<u>63,379</u>	<u>(84,151)</u>	<u>-</u>	<u>328</u>	<u>-</u>	<u>-</u>	<u>8,453</u>	<u>(10,617)</u>
Other financing sources (uses):								
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>63,379</u>	<u>(84,151)</u>	<u>-</u>	<u>328</u>	<u>-</u>	<u>-</u>	<u>8,453</u>	<u>(10,617)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (84,151)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,617)</u>

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

	Perkins Grant 13-14	ABE 12-13	Adult Education Workforce Development	Special Education IDEA Grant 11-12	Special Education IDEA Grant 12-13	Special Education IDEA Grant 13-14	IDEA TA Grant 13-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (259,708)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	326,864	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	2,067,372	3,420,947	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	326,864	-	2,067,372	3,420,947	-	-
Disbursements:							
Current:							
Instruction	-	400,076	-	1,711,025	2,898,436	-	-
Support services	-	13,975	-	96,639	784,291	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	414,051	-	1,807,664	3,682,727	-	-
Excess (deficiency) of receipts over disbursements	-	(87,187)	-	259,708	(261,780)	-	-
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	-	(87,187)	-	259,708	(261,780)	-	-
Cash and investments - ending	\$ -	\$ (87,187)	\$ -	\$ -	\$ (261,780)	\$ -	\$ -

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

	Title II, Part A 11-12	Title II, Part A 12-13	Title II, Part A 13-14	Education Jobs	Payroll Clearing	Prepaid Student Lunch Fees	Totals
Cash and investments - beginning	\$ (1,723)	\$ -	\$ -	\$ -	\$ -	\$ 8,259	\$ 7,222,742
Receipts:							
Local sources	-	-	-	-	-	-	13,471,012
Intermediate sources	-	-	-	-	-	-	4,285
State sources	-	-	-	-	-	-	13,399,220
Federal sources	26,097	30,547	-	6,091	-	-	6,665,544
Temporary loans	-	-	-	-	-	-	2,596,170
Interfund loans	-	-	-	-	-	-	850,960
Other	-	-	-	-	14,979,516	15,531	15,005,598
Total receipts	<u>26,097</u>	<u>30,547</u>	<u>-</u>	<u>6,091</u>	<u>14,979,516</u>	<u>15,531</u>	<u>51,992,789</u>
Disbursements:							
Current:							
Instruction	4,446	6,452	-	6,091	-	-	15,583,581
Support services	19,928	27,081	-	-	-	-	12,635,440
Noninstructional services	-	-	-	-	-	-	834,784
Facilities acquisition and construction	-	-	-	-	-	-	1,708,622
Debt services	-	-	-	-	-	-	5,001,424
Nonprogrammed charges	-	-	-	-	14,979,492	15,334	14,994,826
Interfund loans	-	-	-	-	-	-	850,960
Total disbursements	<u>24,374</u>	<u>33,533</u>	<u>-</u>	<u>6,091</u>	<u>14,979,492</u>	<u>15,334</u>	<u>51,609,637</u>
Excess (deficiency) of receipts over disbursements	<u>1,723</u>	<u>(2,986)</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>197</u>	<u>383,152</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	230
Transfers in	-	-	-	-	-	-	94,202
Transfers out	-	-	-	-	-	-	(94,202)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,723</u>	<u>(2,986)</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>197</u>	<u>383,382</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (2,986)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 8,456</u>	<u>\$ 7,606,124</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 684,279	\$ 1,264,315	\$ 1,194,948	\$ 594,304	\$ 71,899	\$ 912,831	\$ 43,945	\$ 438,891
Receipts:								
Local sources	79,791	3,054,654	2,624,497	1,281,343	177,203	-	110,315	294,059
Intermediate sources	22	-	-	-	-	-	-	-
State sources	9,279,994	-	-	-	-	-	-	7,621
Federal sources	162	-	-	-	-	-	-	362,613
Temporary loans	-	1,394,104	1,186,579	410,314	91,596	-	-	-
Interfund loans	-	20,941	-	-	20,941	-	-	-
Other	28,435	-	10,699	5,355	-	-	-	-
Total receipts	<u>9,388,404</u>	<u>4,469,699</u>	<u>3,821,775</u>	<u>1,697,012</u>	<u>289,740</u>	<u>-</u>	<u>110,315</u>	<u>664,293</u>
Disbursements:								
Current:								
Instruction	6,265,941	-	-	-	-	-	-	-
Support services	2,972,741	-	1,724,068	1,267,666	165,526	-	27,841	2,191
Noninstructional services	204,507	-	-	-	-	-	-	641,758
Facilities acquisition and construction	50	-	1,199,999	8,790	-	-	126,419	39,263
Debt services	-	4,389,488	849,252	396,726	14,822	64,255	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	20,941	-	-	20,941	-	-	-
Total disbursements	<u>9,443,239</u>	<u>4,410,429</u>	<u>3,773,319</u>	<u>1,673,182</u>	<u>201,289</u>	<u>64,255</u>	<u>154,260</u>	<u>683,212</u>
Excess (deficiency) of receipts over disbursements	<u>(54,835)</u>	<u>59,270</u>	<u>48,456</u>	<u>23,830</u>	<u>88,451</u>	<u>(64,255)</u>	<u>(43,945)</u>	<u>(18,919)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	151,425	-	-
Transfers out	-	-	(36,675)	(114,750)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(36,675)</u>	<u>(114,750)</u>	<u>-</u>	<u>151,425</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(54,835)</u>	<u>59,270</u>	<u>11,781</u>	<u>(90,920)</u>	<u>88,451</u>	<u>87,170</u>	<u>(43,945)</u>	<u>(18,919)</u>
Cash and investments - ending	<u>\$ 629,444</u>	<u>\$ 1,323,585</u>	<u>\$ 1,206,729</u>	<u>\$ 503,384</u>	<u>\$ 160,350</u>	<u>\$ 1,000,001</u>	<u>\$ -</u>	<u>\$ 419,972</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Textbook Rental	Levy Excess	Joint Services and Supply - Special Education Cooperative	Coop Administrative Hearing	Joint Services and Supply - Area Vocational School	ABE 11-12 Workforce Development	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ 193,629	\$ 2,750	\$ 1,409,700	\$ 26,003	\$ 985,456	\$ -	\$ 133	\$ -
Receipts:								
Local sources	33,139	-	6,188,600	-	117,665	-	-	-
Intermediate sources	-	-	-	-	-	-	56	-
State sources	47,258	-	-	-	3,673,849	-	-	15,390
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	1,800	-	-	-	-	-
Total receipts	80,397	-	6,190,400	-	3,791,514	-	56	15,390
Disbursements:								
Current:								
Instruction	-	-	2,022,842	-	2,125,195	-	-	15,390
Support services	163,595	-	3,472,148	-	1,465,660	-	90	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	31,339	-	174,338	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	163,595	-	5,526,329	-	3,765,193	-	90	15,390
Excess (deficiency) of receipts over disbursements	(83,198)	-	664,071	-	26,321	-	(34)	-
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	(83,198)	-	664,071	-	26,321	-	(34)	-
Cash and investments - ending	\$ 110,431	\$ 2,750	\$ 2,073,771	\$ 26,003	\$ 1,011,777	\$ -	\$ 99	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Coop Donation	Insurance Stabilization	Teacher Grant	C.A.S.E.	High Ability 12-13	High Ability 13-14	High Ability 11-12	Instruction Support
Cash and investments - beginning	\$ 3,781	\$ 33,563	\$ 12,819	\$ 2,757	\$ 12,325	\$ -	\$ -	\$ -
Receipts:								
Local sources	5,580	15,047	13,423	41,867	-	-	-	-
Intermediate sources	-	-	4,200	-	-	-	-	-
State sources	-	-	-	-	-	30,357	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	5,580	15,047	17,623	41,867	-	30,357	-	-
Disbursements:								
Current:								
Instruction	-	-	8	-	12,325	6,653	-	-
Support services	4,006	11,269	13,113	35,381	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	4,006	11,269	13,121	35,381	12,325	6,653	-	-
Excess (deficiency) of receipts over disbursements	1,574	3,778	4,502	6,486	(12,325)	23,704	-	-
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	1,574	3,778	4,502	6,486	(12,325)	23,704	-	-
Cash and investments - ending	\$ 5,355	\$ 37,341	\$ 17,321	\$ 9,243	\$ -	\$ 23,704	\$ -	\$ -

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Adult and Continuing Education	Insurance Consortium	Extra- Curricular Activities	School Technology	IMPACT Technology Grant	Miscellaneous Programs	Vocational Business Administration	CTE Technology
Cash and investments - beginning	\$ 101,460	\$ 12,531	\$ 57	\$ -	\$ 3,529	\$ -	\$ 38,460	\$ -
Receipts:								
Local sources	74,633	55,859	343	-	-	-	40,804	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	5,880	4,313	-	37,724	14,820
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>74,633</u>	<u>55,859</u>	<u>343</u>	<u>5,880</u>	<u>4,313</u>	<u>-</u>	<u>78,528</u>	<u>14,820</u>
Disbursements:								
Current:								
Instruction	109,641	-	-	-	-	-	3,000	14,800
Support services	110	63,126	-	4,308	4,789	-	41,430	-
Noninstructional services	-	-	343	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>109,751</u>	<u>63,126</u>	<u>343</u>	<u>4,308</u>	<u>4,789</u>	<u>-</u>	<u>44,430</u>	<u>14,800</u>
Excess (deficiency) of receipts over disbursements	<u>(35,118)</u>	<u>(7,267)</u>	<u>-</u>	<u>1,572</u>	<u>(476)</u>	<u>-</u>	<u>34,098</u>	<u>20</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>(35,118)</u>	<u>(7,267)</u>	<u>-</u>	<u>1,572</u>	<u>(476)</u>	<u>-</u>	<u>34,098</u>	<u>20</u>
Cash and investments - ending	<u>\$ 66,342</u>	<u>\$ 5,264</u>	<u>\$ 57</u>	<u>\$ 1,572</u>	<u>\$ 3,053</u>	<u>\$ -</u>	<u>\$ 72,558</u>	<u>\$ 20</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Title I 11-12	Title I 12-13	Title I 13-14	Special Education Preschool 11-12	Special Education Preschool 12-13	Special Education Preschool 13-14	Perkins Grant 11-12	Perkins Grant 12-13
Cash and investments - beginning	\$ -	\$ (84,151)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,617)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	200,515	4,178	-	-	167,623	-	65,483
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>200,515</u>	<u>4,178</u>	<u>-</u>	<u>-</u>	<u>167,623</u>	<u>-</u>	<u>65,483</u>
Disbursements:								
Current:								
Instruction	-	88,799	48,496	-	-	167,623	-	54,866
Support services	-	25,566	15,533	-	-	-	-	-
Noninstructional services	-	1,999	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>116,364</u>	<u>64,029</u>	<u>-</u>	<u>-</u>	<u>167,623</u>	<u>-</u>	<u>54,866</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>84,151</u>	<u>(59,851)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,617</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>-</u>	<u>84,151</u>	<u>(59,851)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,617</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,851)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Perkins Grant 13-14	ABE 12-13	Adult Education Workforce Development	Special Education IDEA Grant 11-12	Special Education IDEA Grant 12-13	Special Education IDEA Grant 13-14	IDEA TA Grant 13-14
Cash and investments - beginning	\$ -	\$ (87,187)	\$ -	\$ -	\$ (261,780)	\$ -	\$ -
Receipts:							
Local sources	-	129,474	539,667	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	310,620	-	-	-	2,221,978	3,653,274	48,876
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>310,620</u>	<u>129,474</u>	<u>539,667</u>	<u>-</u>	<u>2,221,978</u>	<u>3,653,274</u>	<u>48,876</u>
Disbursements:							
Current:							
Instruction	-	56,525	425,277	-	1,923,378	3,319,697	5,846
Support services	345,918	-	156,147	-	36,820	662,496	43,786
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>345,918</u>	<u>56,525</u>	<u>581,424</u>	<u>-</u>	<u>1,960,198</u>	<u>3,982,193</u>	<u>49,632</u>
Excess (deficiency) of receipts over disbursements	<u>(35,298)</u>	<u>72,949</u>	<u>(41,757)</u>	<u>-</u>	<u>261,780</u>	<u>(328,919)</u>	<u>(756)</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(35,298)</u>	<u>72,949</u>	<u>(41,757)</u>	<u>-</u>	<u>261,780</u>	<u>(328,919)</u>	<u>(756)</u>
Cash and investments - ending	<u><u>\$ (35,298)</u></u>	<u><u>\$ (14,238)</u></u>	<u><u>\$ (41,757)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (328,919)</u></u>	<u><u>\$ (756)</u></u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Title II, Part A 11-12	Title II, Part A 12-13	Title II, Part A 13-14	Education Jobs	Payroll Clearing	Prepaid Student Lunch Fees	Totals
Cash and investments - beginning	\$ -	\$ (2,986)	\$ -	\$ -	\$ 24	\$ 8,456	\$ 7,606,124
Receipts:							
Local sources	-	-	-	-	-	-	14,877,963
Intermediate sources	-	-	-	-	-	-	4,278
State sources	-	-	-	-	-	-	13,117,206
Federal sources	-	7,105	26,610	-	-	-	7,069,037
Temporary loans	-	-	-	-	-	-	3,082,593
Interfund loans	-	-	-	-	-	-	41,882
Other	-	-	-	-	16,424,054	13,034	16,483,377
Total receipts	-	7,105	26,610	-	16,424,054	13,034	54,676,336
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	16,666,302
Support services	-	4,119	26,610	-	-	-	12,756,053
Noninstructional services	-	-	-	-	-	-	848,607
Facilities acquisition and construction	-	-	-	-	-	-	1,580,198
Debt services	-	-	-	-	-	-	5,714,543
Nonprogrammed charges	-	-	-	-	16,424,078	13,565	16,437,643
Interfund loans	-	-	-	-	-	-	41,882
Total disbursements	-	4,119	26,610	-	16,424,078	13,565	54,045,228
Excess (deficiency) of receipts over disbursements	-	2,986	-	-	(24)	(531)	631,108
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	151,425
Transfers out	-	-	-	-	-	-	(151,425)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,986	-	-	(24)	(531)	631,108
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,925	\$ 8,237,232

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
DeKalb Eastern High School Bldg. Corporation	2010 Refinance of Series 2003 Bond	<u>\$ 3,010,000</u>	6/30/2011	12/31/2017

  

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
Tax anticipation warrants	Temporary Loans	<u>\$ 2,529,599</u>
		<u>\$ 2,512,098</u>

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 1,837,991
Buildings	28,576,504
Improvements other than buildings	831,868
Machinery, equipment, and vehicles	7,799,257
Books and other	1,006,055
Total governmental activities	40,051,675
Total capital assets	\$ 40,051,675

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

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

We have audited the DeKalb County Eastern Community School District's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. 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, 2012 to June 30, 2014.

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.

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. 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.

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

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

February 10, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014

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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2012-2013	\$ 59,859	\$ -
			FY 2013-2014	-	56,670
				<u>59,859</u>	<u>56,670</u>
Total - School Breakfast Program				<u>59,859</u>	<u>56,670</u>
National School Lunch Program	Indiana Department of Education	10.555	FY 2012-2013	346,709	-
			FY 2013-2014	-	354,946
				<u>346,709</u>	<u>354,946</u>
Total - National School Lunch Program				<u>346,709</u>	<u>354,946</u>
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2012-2013	17,955	-
			FY 2013-2014	-	16,938
				<u>17,955</u>	<u>16,938</u>
Total - Summer Food Service Program for Children				<u>17,955</u>	<u>16,938</u>
Total - Child Nutrition Cluster				<u>424,523</u>	<u>428,554</u>
Total - Department of Agriculture				<u>424,523</u>	<u>428,554</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	14212-046-PN01	2,067,372	-
			14213-046-PN01	3,420,947	2,221,978
			14214-046-PN01	-	3,653,274
			99914-046-TA01	-	48,876
				<u>5,488,319</u>	<u>5,924,128</u>
Total - Special Education - Grants to States				<u>5,488,319</u>	<u>5,924,128</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173	45712-046-PN01	328	-
			45713-046-PN01	177,531	-
			45714-046-PN01	-	167,623
				<u>177,859</u>	<u>167,623</u>
Total - Special Education - Preschool Grants				<u>177,859</u>	<u>167,623</u>
Total - Special Education Cluster (IDEA)				<u>5,666,178</u>	<u>6,091,751</u>

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

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014  
(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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Adult Education - Basic Grants to States	Northeast Indiana Regional Workforce Investment Board	84.002	AE-FCAVC-2012-01-00	91,698	-
			AE-FCAVC-2012-02	219,187	-
			AE-DeKalb-2013-01	-	215,905
				<u>310,885</u>	<u>215,905</u>
Total - Adult Education - Basic Grants to States					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	12-1805	207,185	-
			13-1805	25,181	200,515
			14-1805	-	4,178
				<u>232,366</u>	<u>204,693</u>
Total - Title I Grants to Local Educational Agencies					
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	11-4700-1820	51,009	-
			13-4700-1805	297,200	65,483
			13-4700-1805	-	310,620
				<u>348,209</u>	<u>376,103</u>
Total - Career and Technical Education - Basic Grants to States					
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	11-1805	26,097	-
			12-1805	30,547	7,105
			13-1805	-	26,610
				<u>56,644</u>	<u>33,715</u>
Total - Improving Teacher Quality State Grants					
Education Jobs Fund	Indiana Department of Education	84.410	FY 2012-2013	6,091	-
Total - Department of Education				<u>6,620,373</u>	<u>6,922,167</u>
Total federal awards expended				<u>\$ 7,044,896</u>	<u>\$ 7,350,721</u>

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

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

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the 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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2013 and 2014:

Program Title	Federal CFDA Number	2013	2014
Special Education - Grants to States	84.027	\$ 782,282	\$ 860,169
Special Education - Preschool Grants	84.173	23,200	21,885

**Note 3. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
Child Nutrition Cluster: Food Commodities: National School Lunch Program	10.555	\$ 50,674	\$ 49,003

**Note 4. Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative and serves as the fiscal agent for it. As a result, some activity for the Special Education Cluster that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

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

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; 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?	no
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?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Special Education Cluster (IDEA)
84.002	Adult Education - Basic Grants to States
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education - Basic Grants to States

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable.

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

No matters are reportable.