

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

DELPHI COMMUNITY SCHOOL CORPORATION
CARROLL COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
01/29/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	9
Notes to Financial Statement	10-14
Supplementary Information - Unaudited: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	16-27
Schedule of Long-Term Debt	28
Schedule of Capital Assets	29
Audit Results and Comments: Overdrawn Fund Balance	30
Segregation of Duties – Internal Controls Over Financial Transactions and Reporting	30
Collective Bargaining Agreement	30-31
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	34-35
Schedule of Expenditures of Federal Awards	38
Notes to Schedule of Expenditures of Federal Awards	39
Schedule of Findings and Questioned Costs	40-41
Auditee Prepared Schedule: Corrective Action Plan	42-43
Exit Conference	44

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Handlin Deborah L. Farrell	07-01-10 to 06-30-11 07-01-11 to 12-31-13
Superintendent of Schools	Ralph L. Walker	07-01-10 to 12-31-13
President of the School Board	Robert Resler	07-01-10 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

We have audited the accompanying financial statement of the Delphi Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated January 14, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

STATE BOARD OF ACCOUNTS

January 14, 2013



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

TO: THE OFFICIALS OF THE DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

We have audited the financial statement of the Delphi Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated January 14, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-01 to be material weaknesses.

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.

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

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

STATE BOARD OF ACCOUNTS

January 14, 2013

FINANCIAL STATEMENT

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

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

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 302,688	\$ 10,401,722	\$ 10,611,805	\$ -	\$ 92,605	\$ 10,372,810	\$ 10,722,978	\$ -	\$ (257,563)
Debt Service	204,994	1,857,903	1,411,600	(490,000)	161,297	1,804,114	1,614,210	(10,006)	341,195
Retirement/Severance Bond Debt Service	102,915	191,102	190,458	-	103,559	184,336	186,318	-	101,577
Capital Projects	251,947	1,307,951	1,566,021	-	(6,123)	1,240,569	1,203,428	-	31,018
School Transportation	520,450	1,326,883	1,226,786	-	620,547	1,145,535	1,480,682	-	285,400
School Bus Replacement	162,389	270,446	152,284	-	280,551	117,470	398,021	-	-
Rainy Day	1,026,011	-	422,307	490,000	1,093,704	(28,202)	327,638	-	737,864
Construction Fund	239,838	-	99,070	-	140,768	-	140,072	-	696
G.O. Bonds 2009	398,798	-	369,704	-	29,094	-	29,094	-	-
HS/MS Science Wing/HVAC	(217,775)	707,989	3,914,324	3,888,985	464,875	7,500	507,819	39,350	3,906
G.O. Bonds 2011	-	-	-	-	-	-	530,486	768,717	238,231
School Lunch	453,733	783,391	795,470	-	441,654	789,531	811,656	-	419,529
Textbook Rental	26,427	162,460	169,619	-	19,268	201,807	173,311	10,006	57,770
Levy Excess	-	26,414	-	-	26,414	-	-	-	26,414
Child Care Program	41	21,005	20,386	-	660	20,930	19,782	-	1,808
Educational License Plates	304	75	171	-	208	356	564	-	-
Adult and Continuing Education	-	7,549	-	-	7,549	11,063	12,320	-	6,292
Scholarships and Awards	91,688	4,481	5,827	-	90,342	1,065	2,665	-	88,742
Miscellaneous Programs	367	-	-	-	367	-	367	-	-
Indiana Student Achievement Grant MS	57	-	57	-	-	-	-	-	-
Student Computer Repair Fund	355	8,519	4,938	-	3,936	16,380	15,043	-	5,273
Biomedical PLTW Grant 2009-10	500	-	500	-	-	-	-	-	-
Adult and Continuing Education	(9,727)	6,416	9,967	-	(13,278)	11,618	1,071	-	(2,731)
Adult Education State Funds 2011	-	-	-	-	-	12,248	21,878	-	(9,630)
Non-English Speaking Programs P.L. 273-1999	-	10,062	5,197	-	4,865	9,091	13,439	-	517
State Connectivity Grant	-	8,210	5,629	-	2,581	13,179	14,008	-	1,752
Miscellaneous Programs	3,375	-	263	-	3,112	4,000	481	-	6,631
Title I 2009-10	13,499	-	-	(13,499)	-	-	-	-	-
Title I 2010-11	-	186,763	193,188	13,499	7,074	-	-	(7,074)	-
Title I 2011-12	-	-	-	-	-	143,248	174,375	7,074	(24,053)
Innovative Education Program Strategies Title V (Part A)	165	-	-	-	165	-	-	-	165
Migrant Grant 2010-11	-	100,851	100,851	-	-	-	-	-	-
Migrant Grant 2011-12	-	-	-	-	-	23,981	30,715	-	(6,734)
Learn and Serve America Grant	-	6,000	4,197	-	1,803	-	1,803	-	-
Adult Education and Family Literacy, Title II	-	18,707	16,627	-	2,080	-	1,184	-	896
Adult Education through LSC 2011-12	-	-	-	-	-	12,420	17,512	-	(5,092)
Drug Free Schools	-	-	-	-	-	847	847	-	-
Title II - Dwight D. Eisenhower - Science and Math Technology Grants	9	-	-	-	9	-	-	-	9
Temporary Loan	-	-	-	-	-	1,250,000	1,251,369	-	(1,369)
PLTW Bio-Med 2010-11	-	15,000	15,000	-	-	-	-	-	-
Other Federal Programs	2,940	-	-	-	2,940	-	2,940	-	-
PLTW-Wired Grant MS	812	-	-	-	812	-	-	-	812
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	66,698	-	(66,698)	66,698	-	-	-
Title III, Language Instruction	-	13,870	11,192	-	2,678	8,520	12,140	-	(942)
Title I - Grants to LEAs	34,246	15,615	65,746	-	(15,885)	15,885	-	-	-
Education Jobs	-	-	319,511	-	(319,511)	324,231	4,720	-	-
Payroll Deductions	-	2,956,073	2,956,073	-	-	2,555,027	2,546,904	-	8,123
Totals	\$ 3,611,046	\$ 20,415,457	\$ 24,731,466	\$ 3,888,985	\$ 3,184,022	\$ 20,336,257	\$ 22,271,840	\$ 808,067	\$ 2,056,506

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

F. Other Financing Sources and Uses

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

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

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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction Fund
Cash and investments - beginning	\$ 302,688	\$ 204,994	\$ 102,915	\$ 251,947	\$ 520,450	\$ 162,389	\$ 1,026,011	\$ 239,838
Receipts:								
Local sources	328,946	1,788,972	191,102	1,290,152	1,325,341	270,446	-	-
Intermediate sources	86	-	-	-	-	-	-	-
State sources	10,072,690	68,931	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	17,799	1,542	-	-	-
Total receipts	10,401,722	1,857,903	191,102	1,307,951	1,326,883	270,446	-	-
Disbursements:								
Current:								
Instruction	6,793,538	-	-	-	-	-	300,000	-
Support services	3,590,620	-	-	819,504	1,226,786	152,284	10,000	-
Noninstructional services	227,647	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	673,668	-	-	112,307	99,070
Debt services	-	1,411,600	190,458	72,849	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,611,805	1,411,600	190,458	1,566,021	1,226,786	152,284	422,307	99,070
Excess (deficiency) of receipts over disbursements	(210,083)	446,303	644	(258,070)	100,097	118,162	(422,307)	(99,070)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	490,000	-
Transfers out	-	(490,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	(490,000)	-	-	-	-	490,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(210,083)	(43,697)	644	(258,070)	100,097	118,162	67,693	(99,070)
Cash and investments - ending	\$ 92,605	\$ 161,297	\$ 103,559	\$ (6,123)	\$ 620,547	\$ 280,551	\$ 1,093,704	\$ 140,768

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

	G.O. Bonds 2009	HS/MS Science Wing/ HVAC	G.O. Bonds 2011	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ 398,798	\$ (217,775)	\$ -	\$ 453,733	\$ 26,427	\$ -	\$ 41	\$ 304
Receipts:								
Local sources	-	707,989	-	306,953	92,380	26,414	21,005	-
Intermediate sources	-	-	-	-	-	-	-	75
State sources	-	-	-	8,158	69,875	-	-	-
Federal sources	-	-	-	461,765	-	-	-	-
Other	-	-	-	6,515	205	-	-	-
Total receipts	-	707,989	-	783,391	162,460	26,414	21,005	75
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	171
Support services	101,250	-	-	745	169,619	-	-	-
Noninstructional services	-	-	-	794,725	-	-	20,386	-
Facilities acquisition and construction	268,454	3,914,324	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	369,704	3,914,324	-	795,470	169,619	-	20,386	171
Excess (deficiency) of receipts over disbursements	(369,704)	(3,206,335)	-	(12,079)	(7,159)	26,414	619	(96)
Other financing sources (uses):								
Proceeds of long-term debt	-	3,888,985	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	3,888,985	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(369,704)	682,650	-	(12,079)	(7,159)	26,414	619	(96)
Cash and investments - ending	\$ 29,094	\$ 464,875	\$ -	\$ 441,654	\$ 19,268	\$ 26,414	\$ 660	\$ 208

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

	Adult and Continuing Education	Scholarships and Awards	Miscellaneous Programs	Indiana Student Achievement Grant MS	Student Computer Repair Fund	Biomedical PLTW Grant 2009-10	Adult and Continuing Education	Adult Education State Funds 2011
Cash and investments - beginning	\$ -	\$ 91,688	\$ 367	\$ 57	\$ 355	\$ 500	\$ (9,727)	\$ -
Receipts:								
Local sources	7,549	4,481	-	-	8,519	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	6,416	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	7,549	4,481	-	-	8,519	-	6,416	-
Disbursements:								
Current:								
Instruction	-	-	-	57	-	500	6,226	-
Support services	-	-	-	-	4,938	-	3,741	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,827	-	-	-	-	-	-
Total disbursements	-	5,827	-	57	4,938	500	9,967	-
Excess (deficiency) of receipts over disbursements	7,549	(1,346)	-	(57)	3,581	(500)	(3,551)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,549	(1,346)	-	(57)	3,581	(500)	(3,551)	-
Cash and investments - ending	\$ 7,549	\$ 90,342	\$ 367	\$ -	\$ 3,936	\$ -	\$ (13,278)	\$ -

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

	Non-English Speaking Programs P.L. 273-1999	State Connectivity Grant	Miscellaneous Programs	Title I 2009-10	Title I 2010-11	Title I 2011-12	Innovative Education Program Strategies Title V (Part A)	Migrant Grant 2010-11
Cash and investments - beginning	\$ -	\$ -	\$ 3,375	\$ 13,499	\$ -	\$ -	\$ 165	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	10,062	8,210	-	-	-	-	-	-
Federal sources	-	-	-	-	186,763	-	-	100,851
Other	-	-	-	-	-	-	-	-
Total receipts	10,062	8,210	-	-	186,763	-	-	100,851
Disbursements:								
Current:								
Instruction	5,197	-	-	-	168,090	-	-	95,801
Support services	-	5,629	263	-	24,854	-	-	4,259
Noninstructional services	-	-	-	-	244	-	-	791
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	5,197	5,629	263	-	193,188	-	-	100,851
Excess (deficiency) of receipts over disbursements	4,865	2,581	(263)	-	(6,425)	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	13,499	-	-	-
Transfers out	-	-	-	(13,499)	-	-	-	-
Total other financing sources (uses)	-	-	-	(13,499)	13,499	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,865	2,581	(263)	(13,499)	7,074	-	-	-
Cash and investments - ending	\$ 4,865	\$ 2,581	\$ 3,112	\$ -	\$ 7,074	\$ -	\$ 165	\$ -

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

	Migrant Grant 2011-12	Learn and Serve America Grant	Adult Education and Family Literacy Title II	Adult Education through LSC 2011-12	Drug Free Schools	Title II Dwight D. Eisenhower Science and Math Technology Grants	Temporary Loan	PLTW Bio-Med 2010-11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	6,000	18,707	-	-	-	-	15,000
Other	-	-	-	-	-	-	-	-
Total receipts	-	6,000	18,707	-	-	-	-	15,000
Disbursements:								
Current:								
Instruction	-	4,197	5,107	-	-	-	-	15,000
Support services	-	-	11,520	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	4,197	16,627	-	-	-	-	15,000
Excess (deficiency) of receipts over disbursements	-	1,803	2,080	-	-	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,803	2,080	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 1,803	\$ 2,080	\$ -	\$ -	\$ 9	\$ -	\$ -

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

	Other Federal Programs	PLTW-Wired Grant MS	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Title I Grants to LEAs	Education Jobs	Payroll Deductions	Totals
Cash and investments - beginning	\$ 2,940	\$ 812	\$ -	\$ -	\$ 34,246	\$ -	\$ -	\$ 3,611,046
Receipts:								
Local sources	-	-	-	-	-	-	-	6,370,249
Intermediate sources	-	-	-	-	-	-	-	161
State sources	-	-	-	-	-	-	-	10,244,342
Federal sources	-	-	-	13,870	15,615	-	-	818,571
Other	-	-	-	-	-	-	2,956,073	2,982,134
Total receipts	-	-	-	13,870	15,615	-	2,956,073	20,415,457
Disbursements:								
Current:								
Instruction	-	-	66,698	1,057	65,746	319,511	-	7,846,896
Support services	-	-	-	10,135	-	-	-	6,136,147
Noninstructional services	-	-	-	-	-	-	-	1,043,793
Facilities acquisition and construction	-	-	-	-	-	-	-	5,067,823
Debt services	-	-	-	-	-	-	-	1,674,907
Nonprogrammed charges	-	-	-	-	-	-	2,956,073	2,961,900
Total disbursements	-	-	66,698	11,192	65,746	319,511	2,956,073	24,731,466
Excess (deficiency) of receipts over disbursements	-	-	(66,698)	2,678	(50,131)	(319,511)	-	(4,316,009)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	3,888,985
Transfers in	-	-	-	-	-	-	-	503,499
Transfers out	-	-	-	-	-	-	-	(503,499)
Total other financing sources (uses)	-	-	-	-	-	-	-	3,888,985
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(66,698)	2,678	(50,131)	(319,511)	-	(427,024)
Cash and investments - ending	\$ 2,940	\$ 812	\$ (66,698)	\$ 2,678	\$ (15,885)	\$ (319,511)	\$ -	\$ 3,184,022

DELPHI COMMUNITY SCHOOL CORPORATION
 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	Construction Fund
Cash and investments - beginning	\$ 92,605	\$ 161,297	\$ 103,559	\$ (6,123)	\$ 620,547	\$ 280,551	\$ 1,093,704	\$ 140,768
Receipts:								
Local sources	386,981	1,804,114	184,336	1,227,899	1,138,203	117,470	(28,202)	-
Intermediate sources	27	-	-	-	-	-	-	-
State sources	9,968,179	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	17,623	-	-	12,670	7,332	-	-	-
Total receipts	10,372,810	1,804,114	184,336	1,240,569	1,145,535	117,470	(28,202)	-
Disbursements:								
Current:								
Instruction	6,619,123	-	-	-	-	-	322,699	-
Support services	3,869,277	-	-	510,626	1,480,682	398,021	4,411	-
Noninstructional services	234,578	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	591,638	-	-	528	140,072
Debt services	-	1,614,210	186,318	101,164	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,722,978	1,614,210	186,318	1,203,428	1,480,682	398,021	327,638	140,072
Excess (deficiency) of receipts over disbursements	(350,168)	189,904	(1,982)	37,141	(335,147)	(280,551)	(355,840)	(140,072)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(10,006)	-	-	-	-	-	-
Total other financing sources (uses)	-	(10,006)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(350,168)	179,898	(1,982)	37,141	(335,147)	(280,551)	(355,840)	(140,072)
Cash and investments - ending	\$ (257,563)	\$ 341,195	\$ 101,577	\$ 31,018	\$ 285,400	\$ -	\$ 737,864	\$ 696

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

	G.O. Bonds 2009	HS/MS Science Wing/ HVAC	G.O. Bonds 2011	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ 29,094	\$ 464,875	\$ -	\$ 441,654	\$ 19,268	\$ 26,414	\$ 660	\$ 208
Receipts:								
Local sources	-	7,500	-	292,271	135,472	-	20,930	-
Intermediate sources	-	-	-	-	-	-	-	356
State sources	-	-	-	8,033	66,335	-	-	-
Federal sources	-	-	-	486,649	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	2,578	-	-	-	-
Total receipts	-	7,500	-	789,531	201,807	-	20,930	356
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	564
Support services	23,879	-	-	4,798	173,311	-	-	-
Noninstructional services	-	-	-	714,250	-	-	19,782	-
Facilities acquisition and construction	5,215	507,819	530,486	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	92,608	-	-	-	-
Total disbursements	29,094	507,819	530,486	811,656	173,311	-	19,782	564
Excess (deficiency) of receipts over disbursements	(29,094)	(500,319)	(530,486)	(22,125)	28,496	-	1,148	(208)
Other financing sources (uses):								
Proceeds of long-term debt	-	39,350	768,717	-	-	-	-	-
Transfers in	-	-	-	-	10,006	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	39,350	768,717	-	10,006	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,094)	(460,969)	238,231	(22,125)	38,502	-	1,148	(208)
Cash and investments - ending	\$ -	\$ 3,906	\$ 238,231	\$ 419,529	\$ 57,770	\$ 26,414	\$ 1,808	\$ -

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

	Adult and Continuing Education	Scholarships and Awards	Miscellaneous Programs	Indiana Student Achievement Grant MS	Student Computer Repair Fund	Biomedical PLTW Grant 2009-10	Adult and Continuing Education	Adult Education State Funds 2011
Cash and investments - beginning	\$ 7,549	\$ 90,342	\$ 367	\$ -	\$ 3,936	\$ -	\$ (13,278)	\$ -
Receipts:								
Local sources	11,063	1,065	-	-	16,380	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	11,618	12,248
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	11,063	1,065	-	-	16,380	-	11,618	12,248
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	627	18,922
Support services	12,320	-	-	-	15,043	-	444	2,956
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	367	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	2,665	-	-	-	-	-	-
Total disbursements	12,320	2,665	367	-	15,043	-	1,071	21,878
Excess (deficiency) of receipts over disbursements	(1,257)	(1,600)	(367)	-	1,337	-	10,547	(9,630)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,257)	(1,600)	(367)	-	1,337	-	10,547	(9,630)
Cash and investments - ending	\$ 6,292	\$ 88,742	\$ -	\$ -	\$ 5,273	\$ -	\$ (2,731)	\$ (9,630)

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

	Non-English Speaking Programs P.L. 273-1999	State Connectivity Grant	Miscellaneous Programs	Title I 2009-10	Title I 2010-11	Title I 2011-12	Innovative Education Program Strategies Title V (Part A)	Migrant Grant 2010-11
Cash and investments - beginning	\$ 4,865	\$ 2,581	\$ 3,112	\$ -	\$ 7,074	\$ -	\$ 165	\$ -
Receipts:								
Local sources	-	-	4,000	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	9,091	13,179	-	-	-	-	-	-
Federal sources	-	-	-	-	-	143,248	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	9,091	13,179	4,000	-	-	143,248	-	-
Disbursements:								
Current:								
Instruction	13,439	-	-	-	-	157,355	-	-
Support services	-	14,008	481	-	-	17,020	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	13,439	14,008	481	-	-	174,375	-	-
Excess (deficiency) of receipts over disbursements	(4,348)	(829)	3,519	-	-	(31,127)	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	7,074	-	-
Transfers out	-	-	-	-	(7,074)	-	-	-
Total other financing sources (uses)	-	-	-	-	(7,074)	7,074	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,348)	(829)	3,519	-	(7,074)	(24,053)	-	-
Cash and investments - ending	\$ 517	\$ 1,752	\$ 6,631	\$ -	\$ -	\$ (24,053)	\$ 165	\$ -

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

	Migrant Grant 2011-12	Learn and Serve America Grant	Adult Education and Family Literacy, Title II	Adult Education through LSC 2011-12	Drug Free Schools	Title II - Dwight D. Eisenhower - Science and Math Technology Grants	Temporary Loan	PLTW Bio-Med 2010-11
Cash and investments - beginning	\$ -	\$ 1,803	\$ 2,080	\$ -	\$ -	\$ 9	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	23,981	-	-	12,420	847	-	-	-
Temporary loans	-	-	-	-	-	-	1,250,000	-
Other	-	-	-	-	-	-	-	-
Total receipts	23,981	-	-	12,420	847	-	1,250,000	-
Disbursements:								
Current:								
Instruction	22,381	1,803	215	15,107	-	-	-	-
Support services	6,832	-	969	2,405	847	-	-	-
Noninstructional services	1,502	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	1,251,369	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	30,715	1,803	1,184	17,512	847	-	1,251,369	-
Excess (deficiency) of receipts over disbursements	(6,734)	(1,803)	(1,184)	(5,092)	-	-	(1,369)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,734)	(1,803)	(1,184)	(5,092)	-	-	(1,369)	-
Cash and investments - ending	\$ (6,734)	\$ -	\$ 896	\$ (5,092)	\$ -	\$ 9	\$ (1,369)	\$ -

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

	Other Federal Programs	PLTW-Wired Grant MS	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Title I Grants to LEAs	Education Jobs	Payroll Deductions	Totals
Cash and investments - beginning	\$ 2,940	\$ 812	\$ (66,698)	\$ 2,678	\$ (15,885)	\$ (319,511)	\$ -	\$ 3,184,022
Receipts:								
Local sources	-	-	-	-	-	-	-	5,319,482
Intermediate sources	-	-	-	-	-	-	-	383
State sources	-	-	-	-	-	-	-	10,088,683
Federal sources	-	-	66,698	8,520	15,885	324,231	-	1,082,479
Temporary loans	-	-	-	-	-	-	-	1,250,000
Other	-	-	-	-	-	-	2,555,027	2,595,230
Total receipts	-	-	66,698	8,520	15,885	324,231	2,555,027	20,336,257
Disbursements:								
Current:								
Instruction	-	-	-	8,912	-	4,720	-	7,185,867
Support services	2,940	-	-	3,228	-	-	-	6,544,498
Noninstructional services	-	-	-	-	-	-	-	970,112
Facilities acquisition and construction	-	-	-	-	-	-	-	1,776,125
Debt services	-	-	-	-	-	-	-	3,153,061
Nonprogrammed charges	-	-	-	-	-	-	2,546,904	2,642,177
Total disbursements	2,940	-	-	12,140	-	4,720	2,546,904	22,271,840
Excess (deficiency) of receipts over disbursements	(2,940)	-	66,698	(3,620)	15,885	319,511	8,123	(1,935,583)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	808,067
Transfers in	-	-	-	-	-	-	-	17,080
Transfers out	-	-	-	-	-	-	-	(17,080)
Total other financing sources (uses)	-	-	-	-	-	-	-	808,067
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,940)	-	66,698	(3,620)	15,885	319,511	8,123	(1,127,516)
Cash and investments - ending	\$ -	\$ 812	\$ -	\$ (942)	\$ -	\$ -	\$ 8,123	\$ 2,056,506

DELPHI COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2012

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Delphi Community Multi-School Building Corp	\$ 5,581,087	\$ 1,357,000	Debt Service Fund
Bonds payable:			
General obligation bonds:			
2005 Pension Bonds	1,695,000	191,930	Retirement/Severance Bond Fund Debt Service
2011 General Obligation Bonds	<u>595,000</u>	<u>399,975</u>	Debt Service Fund
Total debt	<u>\$ 7,871,087</u>	<u>\$ 1,948,905</u>	

DELPHI COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2012

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 150,000
Buildings	44,579,600
Improvements other than buildings	50,000
Machinery, equipment, and vehicles	1,600,000
Books and other	<u>2,173,905</u>
Total capital assets	<u><u>\$ 48,553,505</u></u>

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCE

The General Fund was overdrawn by \$ 257,563 at the fiscal year end, June 30, 2012.

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

**SEGREGATION OF DUTIES – INTERNAL CONTROLS OVER
FINANCIAL TRANSACTIONS AND REPORTING**

Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to all areas of the financial statements including receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COLLECTIVE BARGAINING AGREEMENT

The collective bargaining agreement presented for audit contained the following items prohibited by Indiana Code 20-29-6-4, 20-29-6-4.5, and 20-29-6-4.7:

1. A term ending July 31, 2013, which extends beyond the biennium, June 30, 2013.
2. Article I Compensation and Benefits, Item H contained a discussion on wage payment arrangements, detailing the number and frequency of wage payments to school employees.
3. Article I Compensation and Benefits, Items J and M discuss payroll deductions and dues deductions.
4. Article I Compensation and Benefits, Item K states . . . "Committee Work. PL221 Building Committees shall be allocated \$300.00 to be spent at the discretion of the DCTA."
5. Article V Section 4.C on Grievance Procedures contains the following, "The decision of the arbitrator shall be final and binding on the Association, its members, the teachers, the employee or employees involved, and the Board."

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 20-29-6-4 states:

"(a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool."

Indiana Code 20-29-6-4.5 states:

"(a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

- (1) The school calendar.
- (2) Teacher dismissal procedures and criteria.
- (3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.
- (4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
- (5) Any subject not expressly listed in section 4 of this chapter.

(b) A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article."

Indiana Code 20-29-6-4.7(b) states: "A contract entered into between a school employer and an exclusive representative after this section has been enacted into law may not extend past the end of a state budget biennium."

Financial losses related to a corporation's inclusion of prohibited subjects may be the personal obligation of the responsible school official or employee. (The School Administrator and Uniform Compliance Guidelines Volume 198, June 2012)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. However the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-02.

Internal Control Over Compliance

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

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

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 significant deficiencies, or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been 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 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 item 2012-02 to be material weaknesses.

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

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

STATE BOARD OF ACCOUNTS

January 14, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

DELPHI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	0755	\$ 122,796	\$ 124,310
National School Lunch Program	10.555	0755	383,155	410,785
Summer Food Service Program for Children	10.559	0755	-	4,297
Total for cluster			505,951	539,392
Total for federal grantor agency			505,951	539,392
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		FY 11 - 0755	193,187	7,074
		FY 12 - 0755	-	143,248
Total for program			193,187	150,322
ARRA Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	FY 11 - 0755	65,746	-
Total for cluster			258,933	150,322
Pass-Through Lafayette School Corporation				
Adult Education - Basic Grants to States	84.002			
		FY 2010-11	16,627	2,081
		FY 2011-12	-	12,420
Total for program			16,627	14,501
Pass-Through Indiana Department of Education				
Migrant Education - State Grant Program	84.011			
		FY 2010-11	100,851	-
		FY 2011-12	-	23,981
Total for program			100,851	23,981
Safe and Drug Free Schools and Communities - State Grants	84.186			
		FY 09 Supplemental	-	847
Pass-Through the Indiana Department of Workforce Development				
Projects with Industry	84.234			
Perkins Tech-Prep		FY 2010-11	15,000	-
Tech-Prep Education	84.243			
		SLP BIO-9-61	500	-
Pass-Through Indiana Department of Education				
English Language Acquisition Grants	84.365			
		FY 2010-11	11,192	-
		FY 2011-12	-	11,198
Total for program			11,192	11,198
Improving Teacher Quality State Grants	84.367			
		FY 2010-11	66,698	-
Education Jobs Fund	84.410			
		FY 11	319,511	4,720
Total for federal grantor agency			789,312	205,569
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004			
		FY 2010-11	4,197	1,803
Total federal awards expended			\$ 1,299,460	\$ 746,764

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

DELPHI COMMUNITY SCHOOL CORPORATION
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 Delphi Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

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

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	11.553	\$ 10,724	\$ 14,377
National School Lunch Program	11.555	33,462	38,366

DELPHI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Child Nutrition Cluster Education Jobs Fund

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

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

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to all areas of the financial statements including receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

DELPHI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-02 - INTERNAL CONTROL

Federal Agency: U.S. Department of Education
Federal Program: Education Jobs Fund
CFDA Number: 84.410
Federal Award Year: FY 2010-2012
Pass-Through Entity: Indiana Department of Education

Management of the Delphi Community School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements; Activities Allowed and Unallowed, Allowable Costs, Reporting, Period of Availability, and Cash Management. 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, 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 (b) states:

"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 all compliance requirements that have a direct and material effect to the program.



DELPHI COMMUNITY SCHOOL CORPORATION

December 10, 2012

Federal Agency: U.S. Department of Education
Federal Program: Education Jobs Fund
CFDA Number: 84.410
Federal Award Year: FY 2010-2012
Pass-Through Entity: Indiana Department of Education

The Delphi Community Schools has reviewed the Financial Statement Findings related to the audit for the years July 1, 2010 through June 30, 2012, and we offer the following corrective actions.

Lack of Segregation of Duties – The Treasurer will review their office procedures and attempt to assign duties such that there will be as much segregation of incompatible activities as is practical. In addition, the employees will cross perform certain duties particularly when an employee is on vacation. However, the school corporation is very small and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties would outweigh the benefits of a stronger internal control structure.

Management acknowledges and assumes the risks inherent with the current design of the business office.

Sincerely,

Deborah Farrell
Treasurer



DELPHI COMMUNITY SCHOOL CORPORATION

Corrective Action Plan

December 10, 2012

Financial Statement Findings 2012-1, Internal Controls over Financial Transactions and Reporting

The Delphi Community Schools has reviewed the Financial Statement Findings related to the audit for the years July 1, 2010 through June 30, 2012, and we offer the following corrective actions.

Lack of Segregation of Duties – The Treasurer will review their office procedures and attempt to assign duties such that there will be as much segregation of incompatible activities as is practical. In addition, the employees will cross perform certain duties particularly when an employee is on vacation. However, the school corporation is very small and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties would outweigh the benefits of a stronger internal control structure.

Management acknowledges and assumes the risks inherent with the current design of the business office.

Sincerely,

Deborah Farrell
Treasurer

DELPHI COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 14, 2013, with Ralph L. Walker, Superintendent of Schools; Deborah L. Farrell, Treasurer; and Jerry Sparks, member of the School Board. The officials concurred with our audit findings.