

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

DALEVILLE COMMUNITY SCHOOLS
DELAWARE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/29/2016

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|-----------------|----------------------|
| Treasurer | Theresa Edwards | 07-01-13 to 12-31-16 |
| Superintendent of Schools | Paul Garrison | 07-01-13 to 06-30-19 |
| President of the School Board | P. Diana Evans | 07-01-13 to 12-31-16 |



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Daleville Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 August 9, 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

August 9, 2016



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 DALEVILLE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Daleville Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 9, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies. However, significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedules of Findings and Questioned Costs as items 2015-001.

Daleville Community Schools' Response to Findings

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

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

August 9, 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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DALEVILLE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

| Fund | Cash and Investments 07-01-13 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-14 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-15 |
|---|-------------------------------------|---------------------|---------------------|--------------------------------------|-------------------------------------|---------------------|---------------------|--------------------------------------|-------------------------------------|
| General | \$ 220,492 | \$ 4,840,283 | \$ 4,893,308 | \$ 1,371 | \$ 168,838 | \$ 5,383,423 | \$ 4,925,577 | \$ (2,691) | \$ 623,993 |
| Debt Service | 693,114 | 1,131,458 | 1,189,573 | (5,902) | 629,097 | 1,048,246 | 1,188,298 | - | 489,045 |
| Retirement/Severance Bond Debt Service | 38,888 | 67,993 | 70,386 | - | 36,495 | 70,272 | 67,519 | - | 39,248 |
| Capital Projects | 130,839 | 450,836 | 486,741 | - | 94,934 | 452,927 | 409,592 | - | 138,269 |
| School Transportation | 141,069 | 414,795 | 314,013 | - | 241,851 | 432,162 | 267,648 | (165,000) | 241,365 |
| School Bus Replacement | 63,069 | 88,723 | 91,445 | - | 60,347 | 64,403 | 86,177 | - | 38,573 |
| Rainy Day | 444,420 | 10,195 | 253,322 | (35,000) | 166,293 | - | 71,844 | 126,000 | 220,449 |
| School Lunch | 52,825 | 386,053 | 438,878 | - | - | 458,278 | 436,604 | - | 21,674 |
| Textbook Rental | 89,125 | 85,658 | 79,522 | - | 95,261 | 93,611 | 58,046 | - | 130,826 |
| Levy Excess | - | - | - | - | - | 27 | - | - | 27 |
| Educational License Plates | 6,101 | 75 | - | - | 6,176 | 75 | 6,010 | - | 241 |
| Donation Gift Trust | 120 | - | - | - | 120 | 40 | - | - | 160 |
| Donation Cape From PTO | 67 | - | - | - | 67 | - | - | - | 67 |
| Instruction Support Elementary Library | 2 | - | - | - | 2 | - | - | - | 2 |
| Donation Fund Barnhart Kindergarten | 20 | - | - | - | 20 | - | 20 | - | - |
| Donation Fund Kindergarten Barnhart Evans | - | 20 | - | - | 20 | - | 20 | - | - |
| Donation Barnhart Fund | 83 | - | - | - | 83 | 20 | 37 | - | 66 |
| Donation Barnhart Kindergarten Fund | 528 | 600 | 93 | - | 1,035 | 500 | 631 | - | 904 |
| Donations Gifts Library PTO | 1,610 | 1,500 | 1,438 | - | 1,672 | - | - | - | 1,672 |
| Donations Class of 2009 Piano | 238 | - | - | - | 238 | 654 | 892 | - | - |
| Donation High School J Roberts Memorial | 75 | - | - | - | 75 | - | - | - | 75 |
| Donations Bob Watters Memorial | - | - | - | - | - | 1,670 | - | - | 1,670 |
| Donations Class of 1957 | 4 | - | - | - | 4 | - | - | - | 4 |
| Construction Donation General | 93 | - | 22 | - | 71 | 100 | - | - | 171 |
| Donation Autumnfest Pep Band | 100 | - | - | - | 100 | - | - | - | 100 |
| Ball Brothers Fund J. Ravenscroft | - | 15,000 | - | - | 15,000 | - | 4,547 | - | 10,453 |
| Donation Grant Ball Brothers Foundation | 4 | - | - | - | 4 | 440 | 444 | - | - |
| Donation Wellness Committee Corp | 500 | - | - | - | 500 | 2,400 | - | - | 2,900 |
| Indiana Virtual Charter 2% of Revenue | 793 | 274 | - | - | 1,067 | 84,404 | 84,890 | - | 581 |
| Miscellaneous Income Fund Raisers | - | - | - | - | - | 1,511 | - | - | 1,511 |
| Gifted Talented - 2013 6/2014 | - | 27,119 | 17,345 | (1,738) | 8,036 | - | 8,236 | 200 | - |
| Gifted Talented 2014/2015 6/15 | - | - | - | - | - | 27,352 | 23,716 | - | 3,636 |
| Gifted Talented Fund -2015-16 | 3,135 | - | 2,130 | (1,005) | - | - | - | - | - |
| Technology Advance IV | - | 78,100 | 78,100 | - | - | - | - | - | - |
| Technology Advance II | - | 19,011 | 19,011 | - | - | 989 | 989 | - | - |
| Technology Advance III 2014-15 | - | - | - | - | - | - | 5,471 | - | (5,471) |
| Secured Schools Safety Grant | - | - | 6,195 | 35,000 | 28,805 | 35,000 | 111,862 | 39,000 | (9,057) |
| Elementary Reimbursement Fund | - | 2,968 | 2,960 | - | 8 | 3,260 | 3,260 | - | 8 |
| High School Reimbursement Fund | - | 9,021 | 9,021 | - | - | 8,803 | 8,803 | - | - |
| Non-English Speaking Programs P.L. 273-1999 | 194 | - | - | - | 194 | - | - | - | 194 |
| School Technology | 5,425 | 14,850 | 15,105 | - | 5,170 | 16,701 | 21,217 | - | 654 |
| Latch Key Fund | 36,060 | 34,489 | 24,779 | - | 45,770 | 52,081 | 36,856 | - | 60,995 |
| Title I 2015-16 | (1,372) | 47,772 | 61,629 | 1,372 | (13,857) | 14,571 | 685 | (29) | - |
| Title I - 2014 6/15 | (13,354) | 10,832 | 5,737 | - | (8,259) | 51,535 | 76,713 | 29 | (33,408) |
| LD - 2012-13 6/2013 | (37,101) | 39,576 | 4,929 | - | (2,454) | - | 37 | 2,491 | - |
| LD - 2013 6/2014 | - | 82,391 | 147,027 | - | (64,636) | 76,643 | 14,159 | - | (2,152) |
| Special Education TA Grant 2013-14 | - | 3,833 | 3,833 | - | - | - | - | - | - |
| LD - 2014 6/2015 | - | - | - | - | - | 93,402 | 138,903 | - | (45,501) |
| Improving Teaching Quality, No Child Left, Title II, Part A | - | - | - | - | - | - | 588 | - | (588) |
| Title II 8Step Elementary & High School Corp | - | 4,604 | 6,563 | - | (1,959) | 2,721 | 1,780 | - | (1,018) |
| Special Education - Part B | 146 | - | - | - | 146 | - | - | - | 146 |
| Prepaid Food | - | 214,886 | 196,153 | - | 18,733 | 218,043 | 190,881 | - | 45,895 |
| Payroll Withholdings | 64,222 | 1,254,921 | 1,221,282 | - | 97,861 | 1,249,919 | 1,266,360 | - | 81,420 |
| Totals | \$ 1,941,534 | \$ 9,337,836 | \$ 9,640,540 | \$ (5,902) | \$ 1,632,928 | \$ 9,946,183 | \$ 9,519,312 | \$ - | \$ 2,059,799 |

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

DALEVILLE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

DALEVILLE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources, which 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, which 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, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

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

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

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

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

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

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:

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.

DALEVILLE COMMUNITY SCHOOLS
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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

DALEVILLE COMMUNITY SCHOOLS
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 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

Funding Policy and Annual Pension Cost

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

DALEVILLE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
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 for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 and 2015.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 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.

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

| | General | Debt Service | Retirement/ Severance Bond Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | School Lunch | Textbook Rental |
|---|------------|-----------------|---|---------------------|--------------------------|------------------------------|--------------|-----------------|--------------------|
| Cash and investments - beginning | \$ 220,492 | \$ 693,114 | \$ 38,888 | \$ 130,839 | \$ 141,069 | \$ 63,069 | \$ 444,420 | \$ 52,825 | \$ 89,125 |
| Receipts: | | | | | | | | | |
| Local sources | 28,350 | 1,131,458 | 67,993 | 450,836 | 414,795 | 88,723 | 10,195 | 199,814 | 53,074 |
| Intermediate sources | 89 | - | - | - | - | - | - | - | - |
| State sources | 4,810,307 | - | - | - | - | - | - | 4,589 | 31,833 |
| Federal sources | - | - | - | - | - | - | - | 181,246 | - |
| Other receipts | 1,537 | - | - | - | - | - | - | 404 | 751 |
| Total receipts | 4,840,283 | 1,131,458 | 67,993 | 450,836 | 414,795 | 88,723 | 10,195 | 386,053 | 85,658 |
| Disbursements: | | | | | | | | | |
| Instruction | 3,044,098 | - | - | - | - | - | - | - | - |
| Support services | 1,763,669 | - | - | 432,000 | 309,562 | 91,445 | 253,322 | 476 | 79,522 |
| Noninstructional services | 81,176 | - | - | - | - | - | - | 435,791 | - |
| Facilities acquisition and construction | 4,365 | - | - | 54,741 | 4,451 | - | - | - | - |
| Debt services | - | 1,189,573 | 70,386 | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | 2,611 | - |
| Total disbursements | 4,893,308 | 1,189,573 | 70,386 | 486,741 | 314,013 | 91,445 | 253,322 | 438,878 | 79,522 |
| Excess (deficiency) of receipts over disbursements | (53,025) | (58,115) | (2,393) | (35,905) | 100,782 | (2,722) | (243,127) | (52,825) | 6,136 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | 2,743 | - | - | - | - | - | - | - | - |
| Transfers out | (1,372) | (5,902) | - | - | - | - | (35,000) | - | - |
| Total other financing sources (uses) | 1,371 | (5,902) | - | - | - | - | (35,000) | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (51,654) | (64,017) | (2,393) | (35,905) | 100,782 | (2,722) | (278,127) | (52,825) | 6,136 |
| Cash and investments - ending | \$ 168,838 | \$ 629,097 | \$ 36,495 | \$ 94,934 | \$ 241,851 | \$ 60,347 | \$ 166,293 | \$ - | \$ 95,261 |

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

| | Levy Excess | Educational License Plates | Donation Gift Trust | Donation Cape From PTO | Instruction Support Elementary Library | Donation Fund Barnhart Kindergarten | Donation Fund Kindergarten Barnhart Evans | Donation Barnhart Fund | Donation Barnhart Kindergarten Fund |
|---|----------------|----------------------------------|---------------------------|---------------------------------|---|--|---|------------------------------|--|
| Cash and investments - beginning | \$ - | \$ 6,101 | \$ 120 | \$ 67 | \$ 2 | \$ 20 | \$ - | \$ 83 | \$ 528 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | 20 | - | 600 |
| Intermediate sources | - | 75 | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 75 | - | - | - | - | 20 | - | 600 |
| Disbursements: | | | | | | | | | |
| Instruction | - | - | - | - | - | - | - | - | 93 |
| Support services | - | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | - | - | - | - | 93 |
| Excess (deficiency) of receipts over disbursements | - | 75 | - | - | - | - | 20 | - | 507 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 75 | - | - | - | - | 20 | - | 507 |
| Cash and investments - ending | \$ - | \$ 6,176 | \$ 120 | \$ 67 | \$ 2 | \$ 20 | \$ 20 | \$ 83 | \$ 1,035 |

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

| | Donations Gifts Library PTO | Donations Class of 2009 Piano | Donation High School J Roberts Memorial | Donations Bob Watters Memorial | Donations Class of 1957 | Construction Donation General | Donation Autumnfest Pep Band | Ball Brothers Fund J. Ravenscroft | Donation Grant Ball Brothers Foundation |
|---|--------------------------------------|-------------------------------------|--|--------------------------------------|----------------------------|-------------------------------------|---------------------------------------|---|--|
| Cash and investments - beginning | \$ 1,610 | \$ 238 | \$ 75 | \$ - | \$ 4 | \$ 93 | \$ 100 | \$ - | \$ 4 |
| Receipts: | | | | | | | | | |
| Local sources | 1,500 | - | - | - | - | - | - | 15,000 | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 1,500 | - | - | - | - | - | - | 15,000 | - |
| Disbursements: | | | | | | | | | |
| Instruction | - | - | - | - | - | 22 | - | - | - |
| Support services | 1,438 | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 1,438 | - | - | - | - | 22 | - | - | - |
| Excess (deficiency) of receipts over disbursements | 62 | - | - | - | - | (22) | - | 15,000 | - |
| 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 | 62 | - | - | - | - | (22) | - | 15,000 | - |
| Cash and investments - ending | \$ 1,672 | \$ 238 | \$ 75 | \$ - | \$ 4 | \$ 71 | \$ 100 | \$ 15,000 | \$ 4 |

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

| | Donation Wellness Committee Corp | Indiana Virtual Charter 2% of Revenue | Miscellaneous Income Fund Raisers | Gifted Talented - 2013 6/2014 | Gifted Talented 2014/2015 6/15 | Gifted Talented -2015-16 | Technology Advance IV | Technology Advance II | Technology Advance III 2014-15 |
|---|---|--|--|-------------------------------------|---|--------------------------------|-----------------------------|-----------------------------|---|
| Cash and investments - beginning | \$ 500 | \$ 793 | \$ - | \$ - | \$ - | \$ 3,135 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | 27,119 | - | - | 78,100 | 19,011 | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | 274 | - | - | - | - | - | - | - |
| Total receipts | - | 274 | - | 27,119 | - | - | 78,100 | 19,011 | - |
| Disbursements: | | | | | | | | | |
| Instruction | - | - | - | 13,345 | - | 2,130 | - | - | - |
| Support services | - | - | - | 4,000 | - | - | 78,100 | 19,011 | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | 17,345 | - | 2,130 | 78,100 | 19,011 | - |
| Excess (deficiency) of receipts over disbursements | - | 274 | - | 9,774 | - | (2,130) | - | - | - |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | (1,738) | - | (1,005) | - | - | - |
| Total other financing sources (uses) | - | - | - | (1,738) | - | (1,005) | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 274 | - | 8,036 | - | (3,135) | - | - | - |
| Cash and investments - ending | \$ 500 | \$ 1,067 | \$ - | \$ 8,036 | \$ - | \$ - | \$ - | \$ - | \$ - |

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

| | Secured Schools Safety Grant | Elementary Reimbursement Fund | High School Reimbursement Fund | Non-English Speaking Programs P.L. 273-1999 | School Technology | Latch Key Fund | Title I 2015-16 | Title I - 2014 6/15 | LD - 2012-13 6/2013 |
|---|---------------------------------------|-------------------------------------|--------------------------------------|--|----------------------|----------------------|--------------------|------------------------|------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ 194 | \$ 5,425 | \$ 36,060 | \$ (1,372) | \$ (13,354) | \$ (37,101) |
| Receipts: | | | | | | | | | |
| Local sources | - | 2,968 | 9,021 | - | 6,882 | 34,489 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | 7,968 | - | - | - | - |
| Federal sources | - | - | - | - | - | - | 47,772 | 10,832 | 39,576 |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 2,968 | 9,021 | - | 14,850 | 34,489 | 47,772 | 10,832 | 39,576 |
| Disbursements: | | | | | | | | | |
| Instruction | - | 672 | 1,731 | - | - | - | 61,629 | 5,737 | - |
| Support services | 6,195 | 2,288 | 7,290 | - | 15,105 | - | - | - | 4,929 |
| Noninstructional services | - | - | - | - | - | 24,779 | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 6,195 | 2,960 | 9,021 | - | 15,105 | 24,779 | 61,629 | 5,737 | 4,929 |
| Excess (deficiency) of receipts over disbursements | (6,195) | 8 | - | - | (255) | 9,710 | (13,857) | 5,095 | 34,647 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | 35,000 | - | - | - | - | - | 1,372 | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 35,000 | - | - | - | - | - | 1,372 | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 28,805 | 8 | - | - | (255) | 9,710 | (12,485) | 5,095 | 34,647 |
| Cash and investments - ending | \$ 28,805 | \$ 8 | \$ - | \$ 194 | \$ 5,170 | \$ 45,770 | \$ (13,857) | \$ (8,259) | \$ (2,454) |

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

| | LD - 2013 6/2014 | Special Education TA Grant 2013-14 | LD - 2014 6/2015 | Improving Teaching Quality No Child Left, Title II, Part A | Title II 8Step Elementary & High School Corp | Special Education - Part B | Prepaid Food | Payroll Withholdings | Totals |
|---|---------------------|---|---------------------|--|---|----------------------------------|-----------------|-------------------------|--------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 146 | \$ - | \$ 64,222 | \$ 1,941,534 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | 214,886 | 1,254,921 | 3,985,525 |
| Intermediate sources | - | - | - | - | - | - | - | - | 164 |
| State sources | - | - | - | - | - | - | - | - | 4,978,927 |
| Federal sources | 82,391 | 3,833 | - | - | 4,604 | - | - | - | 370,254 |
| Other receipts | - | - | - | - | - | - | - | - | 2,966 |
| Total receipts | 82,391 | 3,833 | - | - | 4,604 | - | 214,886 | 1,254,921 | 9,337,836 |
| Disbursements: | | | | | | | | | |
| Instruction | 68,146 | - | - | - | - | - | - | - | 3,197,603 |
| Support services | 78,881 | 3,833 | - | - | 6,563 | - | 196,153 | 1,221,282 | 4,575,064 |
| Noninstructional services | - | - | - | - | - | - | - | - | 541,746 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | 63,557 |
| Debt services | - | - | - | - | - | - | - | - | 1,259,959 |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | 2,611 |
| Total disbursements | 147,027 | 3,833 | - | - | 6,563 | - | 196,153 | 1,221,282 | 9,640,540 |
| Excess (deficiency) of receipts over disbursements | (64,636) | - | - | - | (1,959) | - | 18,733 | 33,639 | (302,704) |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | 39,115 |
| Transfers out | - | - | - | - | - | - | - | - | (45,017) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | (5,902) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (64,636) | - | - | - | (1,959) | - | 18,733 | 33,639 | (308,606) |
| Cash and investments - ending | \$ (64,636) | \$ - | \$ - | \$ - | \$ (1,959) | \$ 146 | \$ 18,733 | \$ 97,861 | \$ 1,632,928 |

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

| | General | Debt Service | Retirement/ Severance Bond Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | School Lunch | Textbook Rental |
|---|-------------------|-------------------|---|---------------------|--------------------------|------------------------------|-------------------|------------------|--------------------|
| Cash and investments - beginning | \$ 168,838 | \$ 629,097 | \$ 36,495 | \$ 94,934 | \$ 241,851 | \$ 60,347 | \$ 166,293 | \$ - | \$ 95,261 |
| Receipts: | | | | | | | | | |
| Local sources | 34,829 | 1,048,246 | 70,272 | 452,927 | 432,162 | 64,403 | - | 193,227 | 52,982 |
| Intermediate sources | 89 | - | - | - | - | - | - | - | - |
| State sources | 5,347,088 | - | - | - | - | - | - | 4,731 | 40,129 |
| Federal sources | - | - | - | - | - | - | - | 259,917 | - |
| Other receipts | 1,417 | - | - | - | - | - | - | 403 | 500 |
| Total receipts | <u>5,383,423</u> | <u>1,048,246</u> | <u>70,272</u> | <u>452,927</u> | <u>432,162</u> | <u>64,403</u> | <u>-</u> | <u>458,278</u> | <u>93,611</u> |
| Disbursements: | | | | | | | | | |
| Instruction | 3,076,059 | - | - | - | - | - | - | - | - |
| Support services | 1,737,854 | - | - | 343,165 | 267,038 | 86,177 | 66,368 | 406 | 58,046 |
| Noninstructional services | 97,313 | - | - | - | - | - | - | 436,198 | - |
| Facilities acquisition and construction | 14,351 | - | - | 66,427 | 610 | - | 5,476 | - | - |
| Debt services | - | 1,188,298 | 67,519 | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | <u>4,925,577</u> | <u>1,188,298</u> | <u>67,519</u> | <u>409,592</u> | <u>267,648</u> | <u>86,177</u> | <u>71,844</u> | <u>436,604</u> | <u>58,046</u> |
| Excess (deficiency) of receipts over disbursements | <u>457,846</u> | <u>(140,052)</u> | <u>2,753</u> | <u>43,335</u> | <u>164,514</u> | <u>(21,774)</u> | <u>(71,844)</u> | <u>21,674</u> | <u>35,565</u> |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 165,000 | - | - |
| Transfers out | (2,691) | - | - | - | (165,000) | - | (39,000) | - | - |
| Total other financing sources (uses) | <u>(2,691)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(165,000)</u> | <u>-</u> | <u>126,000</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>455,155</u> | <u>(140,052)</u> | <u>2,753</u> | <u>43,335</u> | <u>(486)</u> | <u>(21,774)</u> | <u>54,156</u> | <u>21,674</u> | <u>35,565</u> |
| Cash and investments - ending | <u>\$ 623,993</u> | <u>\$ 489,045</u> | <u>\$ 39,248</u> | <u>\$ 138,269</u> | <u>\$ 241,365</u> | <u>\$ 38,573</u> | <u>\$ 220,449</u> | <u>\$ 21,674</u> | <u>\$ 130,826</u> |

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

| | Levy Excess | Educational License Plates | Donation Gift Trust | Donation Cape From PTO | Instruction Support Elementary Library | Donation Fund Barnhart Kindergarten | Donation Fund Kindergarten Barnhart Evans | Donation Barnhart Fund | Donation Barnhart Kindergarten Fund |
|---|----------------|----------------------------------|---------------------------|---------------------------------|---|--|---|------------------------------|--|
| Cash and investments - beginning | \$ - | \$ 6,176 | \$ 120 | \$ 67 | \$ 2 | \$ 20 | \$ 20 | \$ 83 | \$ 1,035 |
| Receipts: | | | | | | | | | |
| Local sources | 27 | - | 40 | - | - | - | - | 20 | 500 |
| Intermediate sources | - | 75 | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | <u>27</u> | <u>75</u> | <u>40</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20</u> | <u>500</u> |
| Disbursements: | | | | | | | | | |
| Instruction | - | - | - | - | - | 20 | 20 | 37 | 631 |
| Support services | - | 6,010 | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>6,010</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20</u> | <u>20</u> | <u>37</u> | <u>631</u> |
| Excess (deficiency) of receipts over disbursements | <u>27</u> | <u>(5,935)</u> | <u>40</u> | <u>-</u> | <u>-</u> | <u>(20)</u> | <u>(20)</u> | <u>(17)</u> | <u>(131)</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> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>27</u> | <u>(5,935)</u> | <u>40</u> | <u>-</u> | <u>-</u> | <u>(20)</u> | <u>(20)</u> | <u>(17)</u> | <u>(131)</u> |
| Cash and investments - ending | <u>\$ 27</u> | <u>\$ 241</u> | <u>\$ 160</u> | <u>\$ 67</u> | <u>\$ 2</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 66</u> | <u>\$ 904</u> |

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

| | Donations Gifts Library PTO | Donations Class of 2009 Piano | Donation High School J Roberts Memorial | Donations Bob Watters Memorial | Donations Class of 1957 | Construction Donation General | Donation Autumnfest Pep Band | Ball Brothers Fund J. Ravenscroft | Donation Grant Ball Brothers Foundation |
|---|--------------------------------------|-------------------------------------|--|--------------------------------------|----------------------------|-------------------------------------|---------------------------------------|---|--|
| Cash and investments - beginning | \$ 1,672 | \$ 238 | \$ 75 | \$ - | \$ 4 | \$ 71 | \$ 100 | \$ 15,000 | \$ 4 |
| Receipts: | | | | | | | | | |
| Local sources | - | 654 | - | 1,670 | - | 100 | - | - | 440 |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 654 | - | 1,670 | - | 100 | - | - | 440 |
| Disbursements: | | | | | | | | | |
| Instruction | - | 892 | - | - | - | - | - | 4,547 | 444 |
| Support services | - | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | - | 892 | - | - | - | - | - | 4,547 | 444 |
| Excess (deficiency) of receipts over disbursements | - | (238) | - | 1,670 | - | 100 | - | (4,547) | (4) |
| 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 | - | (238) | - | 1,670 | - | 100 | - | (4,547) | (4) |
| Cash and investments - ending | \$ 1,672 | \$ - | \$ 75 | \$ 1,670 | \$ 4 | \$ 171 | \$ 100 | \$ 10,453 | \$ - |

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

| | Donation Wellness Committee Corp | Indiana Virtual Charter 2% of Revenue | Miscellaneous Income Fund Raisers | Gifted Talented - 2013 6/2014 | Gifted Talented 2014/2015 6/15 | Gifted Talented -2015-16 | Technology Advance IV | Technology Advance II | Technology Advance III 2014-15 |
|---|---|--|--|-------------------------------------|---|--------------------------------|-----------------------------|-----------------------------|---|
| Cash and investments - beginning | \$ 500 | \$ 1,067 | \$ - | \$ 8,036 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | 2,400 | - | 1,511 | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | 27,352 | - | - | 989 | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | 84,404 | - | - | - | - | - | - | - |
| Total receipts | <u>2,400</u> | <u>84,404</u> | <u>1,511</u> | <u>-</u> | <u>27,352</u> | <u>-</u> | <u>-</u> | <u>989</u> | <u>-</u> |
| Disbursements: | | | | | | | | | |
| Instruction | - | - | - | 8,236 | 19,290 | - | - | - | - |
| Support services | - | 84,890 | - | - | 4,426 | - | - | 989 | 5,471 |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>84,890</u> | <u>-</u> | <u>8,236</u> | <u>23,716</u> | <u>-</u> | <u>-</u> | <u>989</u> | <u>5,471</u> |
| Excess (deficiency) of receipts over disbursements | <u>2,400</u> | <u>(486)</u> | <u>1,511</u> | <u>(8,236)</u> | <u>3,636</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,471)</u> |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | 200 | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>200</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>2,400</u> | <u>(486)</u> | <u>1,511</u> | <u>(8,036)</u> | <u>3,636</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,471)</u> |
| Cash and investments - ending | <u>\$ 2,900</u> | <u>\$ 581</u> | <u>\$ 1,511</u> | <u>\$ -</u> | <u>\$ 3,636</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (5,471)</u> |

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

| | Secured Schools Safety Grant | Elementary Reimbursement Fund | High School Reimbursement Fund | Non-English Speaking Programs P.L. 273-1999 | School Technology | Latch Key Fund | Title I 2015-16 | Title I - 2014 6/15 | LD - 2012-13 6/2013 |
|---|---------------------------------------|-------------------------------------|--------------------------------------|--|----------------------|----------------------|--------------------|------------------------|------------------------|
| Cash and investments - beginning | \$ 28,805 | \$ 8 | \$ - | \$ 194 | \$ 5,170 | \$ 45,770 | \$ (13,857) | \$ (8,259) | \$ (2,454) |
| Receipts: | | | | | | | | | |
| Local sources | - | 3,260 | 8,803 | - | 7,812 | 52,081 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | 35,000 | - | - | - | 8,889 | - | - | - | - |
| Federal sources | - | - | - | - | - | - | 14,571 | 51,535 | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 35,000 | 3,260 | 8,803 | - | 16,701 | 52,081 | 14,571 | 51,535 | - |
| Disbursements: | | | | | | | | | |
| Instruction | - | 200 | 2,585 | - | - | - | 685 | 75,140 | 37 |
| Support services | 38,712 | 3,060 | 6,218 | - | 21,217 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | 36,856 | - | 1,573 | - |
| Facilities acquisition and construction | 73,150 | - | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 111,862 | 3,260 | 8,803 | - | 21,217 | 36,856 | 685 | 76,713 | 37 |
| Excess (deficiency) of receipts over disbursements | (76,862) | - | - | - | (4,516) | 15,225 | 13,886 | (25,178) | (37) |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | 39,000 | - | - | - | - | - | - | 29 | 2,491 |
| Transfers out | - | - | - | - | - | - | (29) | - | - |
| Total other financing sources (uses) | 39,000 | - | - | - | - | - | (29) | 29 | 2,491 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (37,862) | - | - | - | (4,516) | 15,225 | 13,857 | (25,149) | 2,454 |
| Cash and investments - ending | \$ (9,057) | \$ 8 | \$ - | \$ 194 | \$ 654 | \$ 60,995 | \$ - | \$ (33,408) | \$ - |

DALEVILLE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

| | LD - 2013 6/2014 | Special Education TA Grant 2013-14 | LD - 2014 6/2015 | Improving Teaching Quality No Child Left, Title II, Part A | Title II 8Step Elementary & High School Corp | Special Education - Part B | Prepaid Food | Payroll Withholdings | Totals |
|---|---------------------|---|---------------------|--|---|----------------------------------|-----------------|-------------------------|--------------|
| Cash and investments - beginning | \$ (64,636) | \$ - | \$ - | \$ - | \$ (1,959) | \$ 146 | \$ 18,733 | \$ 97,861 | \$ 1,632,928 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | 218,043 | 1,249,919 | 3,896,328 |
| Intermediate sources | - | - | - | - | - | - | - | - | 164 |
| State sources | - | - | - | - | - | - | - | - | 5,464,178 |
| Federal sources | 76,643 | - | 93,402 | - | 2,721 | - | - | - | 498,789 |
| Other receipts | - | - | - | - | - | - | - | - | 86,724 |
| Total receipts | 76,643 | - | 93,402 | - | 2,721 | - | 218,043 | 1,249,919 | 9,946,183 |
| Disbursements: | | | | | | | | | |
| Instruction | 2,746 | - | 74,945 | 588 | - | - | - | - | 3,267,102 |
| Support services | 11,413 | - | 63,958 | - | 1,780 | - | 190,881 | 1,266,360 | 4,264,439 |
| Noninstructional services | - | - | - | - | - | - | - | - | 571,940 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | 160,014 |
| Debt services | - | - | - | - | - | - | - | - | 1,255,817 |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 14,159 | - | 138,903 | 588 | 1,780 | - | 190,881 | 1,266,360 | 9,519,312 |
| Excess (deficiency) of receipts over disbursements | 62,484 | - | (45,501) | (588) | 941 | - | 27,162 | (16,441) | 426,871 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | 206,720 |
| Transfers out | - | - | - | - | - | - | - | - | (206,720) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 62,484 | - | (45,501) | (588) | 941 | - | 27,162 | (16,441) | 426,871 |
| Cash and investments - ending | \$ (2,152) | \$ - | \$ (45,501) | \$ (588) | \$ (1,018) | \$ 146 | \$ 45,895 | \$ 81,420 | \$ 2,059,799 |

DALEVILLE COMMUNITY SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 June 30, 2015

| Type | Description of Debt Purpose | Ending Principal Balance | Principal and Interest Due Within One Year |
|-------------------------------|--|--------------------------------|---|
| Governmental activities: | | | |
| General obligation bonds | Holding Bonds 96 & 05/retirement bonds | \$ 8,365,000 | \$ 1,012,431 |
| Notes and loans payable | Common Sch. Loan/Technology loan A1732/A1757/A1863 | <u>80,083</u> | <u>47,429</u> |
| Total governmental activities | | <u>8,445,083</u> | <u>1,059,860</u> |
| Totals | | <u>\$ 8,445,083</u> | <u>\$ 1,059,860</u> |

DALEVILLE COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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 | \$ 10,000 |
| Buildings | 439,458 |
| Machinery, equipment, and vehicles | 1,403,074 |
| Total governmental activities | 1,852,532 |
| Total capital assets | \$ 1,852,532 |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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 DALEVILLE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Daleville Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2015-006. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

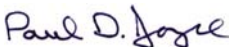
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003, 2015-004, 2015-005, and 2015-006 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

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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.

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DALEVILLE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

| 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 | Pass-Through To Subrecipient 06-30-14 | Total Federal Awards Expended 06-30-14 | Pass-Through To Subrecipient 06-30-15 | Total Federal Awards Expended 06-30-15 |
|---|-------------------------------------|---------------------------|---|---|---|---|---|
| <u>Department of Agriculture</u> | | | | | | | |
| Child Nutrition Cluster | | | | | | | |
| School Breakfast Program | Indiana Department of Education | 10.553 | 1940 | \$ - | \$ 34,274 | \$ - | \$ 49,197 |
| National School Lunch Program Commodities | Indiana Department of Education | 10.555 | 1940 | - | 146,972 | - | 210,720 |
| | | | | - | 28,892 | - | 27,068 |
| Total - National School Lunch Program | | | | - | 175,864 | - | 237,788 |
| Total - Child Nutrition Cluster | | | | - | 210,138 | - | 286,985 |
| Total - Department of Agriculture | | | | - | 210,138 | - | 286,985 |
| <u>Department of Education</u> | | | | | | | |
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | 14-1940 15-1940 | - | 58,603 | - | - |
| | | | | - | - | - | 66,103 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 58,603 | - | 66,103 |
| Special Education Cluster (IDEA) | | | | | | | |
| Special Education_Grants to States | Indiana Department of Education | 84.027 | 14213-010-PN01 14214-010-PN01 14215-010-PN01 99914-10-TA01 | - | 79,152 | - | 37 |
| | | | | - | 164,781 | - | 153,284 |
| | | | | - | - | - | 186,803 |
| | | | | - | 7,666 | - | - |
| Total - Special Education_Grants to States | | | | - | 251,599 | - | 340,124 |
| Special Education_Preschool Grants | | 84.173 | 45713-010-PN01 45714-010-PN01 45715-010-PN01 | - | 1,296 | - | - |
| | | | | - | 2,265 | - | 704 |
| | | | | - | - | - | 1,808 |
| Total - Special Education_Preschool Grants | | | | - | 3,561 | - | 2,512 |
| Total - Special Education Cluster (IDEA) | | | | - | 255,160 | - | 342,636 |
| Improving Teacher Quality State Grants | Indiana Department of Education | 84.367 | 2013-14 2014-15 | - | 4,603 | - | - |
| | | | | - | - | - | 2,721 |
| Total - Improving Teacher Quality State Grants | | | | - | 4,603 | - | 2,721 |
| Total - Department of Education | | | | - | 318,366 | - | 411,460 |
| Total federal awards expended | | | | \$ - | \$ 528,504 | \$ - | \$ 698,445 |

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

DALEVILLE COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

DALEVILLE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

| | |
|--|--|
| Type of auditor's report issued: | Adverse as to GAAP; Unmodified as to Regulatory Basis |
| Internal control over financial reporting: | |
| Material weaknesses identified? | yes |
| Significant deficiencies identified? | none reported |
| Noncompliance material to financial statement noted? | yes |

Federal Awards:

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

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|---|
| 84.010 | Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies |

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 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

There was a deficiency in the internal control system of the School Corporation related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. The School Corporation Treasurer prepared the SEFA and the Superintendent reviewed the SEFA; however, there were expenditures of \$129,359 and \$172,592 during school years 2013-2014 and 2014-2015, respectively, that the Delaware Blackford Special Education Cooperative (Cooperative) made on behalf of the School Corporation that were not reported in the Special Education Cluster. These omissions also caused the total federal expenditures to be incorrectly reported. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

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

Cause

Management had not established a system of internal controls that could have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could remain undetected. The SEFA contained the errors identified in the *Condition*.

Criteria

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.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310. . . ."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

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

- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

View of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002 - REPORTING

Federal Agency: Department of Education

Federal Program: Special Education_Preschool Grants

CFDA Number: 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 45713-010-PN01, 45714-010-PN01, 45715-010-PN01

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system, which would have included segregation of duties, was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Reporting. Reports for the Special Education_Preschool Grants were prepared and approved by the same individual. There was no control procedure in place to ensure the accuracy of the Final Expenditure Reports prior to submission.

Context

The School Corporation was a member of the Delaware-Blackford Special Education Cooperative (Cooperative) and provided oversight of the Cooperative via the School Corporation's Superintendent of Schools, who served as a member of the Cooperative Board. The Cooperative acted as the fiscal agent of the School Corporation and submitted the Final Expenditure Reports on the School Corporation's behalf. However, the Cooperative had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the Reporting compliance requirement.

Criteria

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

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirement listed above.

View of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-003 - CASH MANAGEMENT, ELIGIBILITY, PROGRAM INCOME, REPORTING, AND SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program and National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications.

Context

Cash Management

A control process had not been established to ensure that the School Lunch fund's net cash resources were limited to the average expenditures for three months.

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

Eligibility

The Food Service Director performed the calculations and determined the classification of the free and reduced lunch applications for both audit years. The Food Service Secretary was to review the applications for accuracy. There was no evidence that the Food Service Secretary reviewed the decisions for FY 13-14 on a regular basis. However, for FY 14-15, the Food Service Secretary initialed the applications in her review for accuracy.

Program Income

The Food Service Director at the Jr.-Sr. High School and a Cook at the Elementary School counted the number of meals served per day and footed the numbers for the month. However, there was no control in place to ensure the accuracy of the figures.

Reporting

The Sponsor Claims (claims for reimbursement) were independently prepared and submitted by the Food Service Director. There was no oversight, review, or approval process or other control in place to ensure the Sponsor Claims (claims for reimbursement) were correct. The Annual Financial Reports (AFR) were prepared and submitted by the Food Service Director. There was no control procedure in place to ensure the accuracy of the AFRs submitted.

Special Tests and Provisions - Verification of Free and Reduced Price Applications

The Food Service Director performed the calculations and determined the classification of the free and reduced lunch applications. However, there was no control in place to ensure the accuracy of the figures.

Criteria

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

View of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-004 - CASH MANAGEMENT, PERIOD OF AVAILABILITY OF FEDERAL FUNDS, AND REPORTING

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-010-PN01, 14214-010-PN01,
14215-010-PN01, 99914-10-TA01

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Period of Availability of Federal Funds, and Reporting.

Context

Cash Management

No control process for the Cash Management requirement had been established for FY 13-14 to ensure that expenditures had been made before the Reimbursement Requests were prepared.

Period of Availability of Federal Funds

No control process for the Period of Availability requirement had been established for FY 13-14 to ensure that expenditures had been made during the period of availability before the Reimbursement Requests were prepared.

Reporting

No control process for the Reporting requirement had been established for FY 13-14 to ensure that expenditures as shown on the Reimbursement Requests were correct.

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

Criteria

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

View of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-005 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/
COST PRINCIPLES, CASH MANAGEMENT, AND REPORTING***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-1940, 15-1940

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting.

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

Context

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

There was a lack of controls over the review of the Semi-Annual Certification Reports for FY 13-14. The same individual responsible for completing the report was the only reviewer of the report.

Cash Management

For FY 13-14, the Treasurer signed the Reimbursement Forms but there were no controls to ensure the accuracy of the requests. During FY 14-15, controls were established wherein the Treasurer signed and the Assistant Superintendent of Schools approved the requests.

Reporting

For FY 13-14, the Treasurer signed the Reimbursement Forms, but there were no controls to ensure the accuracy of the requests. During FY 14-15, controls were established wherein the Treasurer signed and the Assistant Superintendent of Schools approved the requests.

Criteria

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

View of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

FINDING 2015-006 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY13-14, FY14-15
Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education
Federal Program: Special Education_Grants to States
CFDA Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 14213-010-PN01, 14214-010-PN01
14215-010-PN01, 99914-10-TA01
Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Context

The School Corporation had a control in place to ensure that a search of the System for Award Management was conducted; however, there was no evidence of the search.

Criteria

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

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

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

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

Effect

The failure to maintain supporting documentation of internal control procedures prevented the ability to identify if the School Corporation was in compliance with the requirements for Procurement and Suspension and Debarment.

Questioned Costs

There were no questioned costs identified.

Recommendation

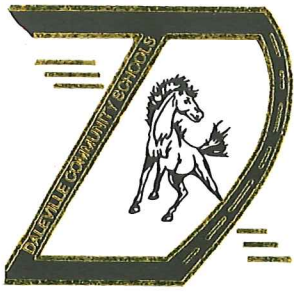
We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above that have a direct and material effect on the programs.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



Daleville Community Schools

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Fiscal year in which the finding initially occurred: 2011 to 2013
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Theresa Edwards
Contact Phone Number: 765-378-3329

Status of Audit Finding:

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

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

Fiscal year in which the finding initially occurred: 2011 to 2013
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Theresa Edwards
Contact Phone Number: 765-378-3329

Status of Audit Finding:

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

Superintendent
July 5 2016

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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CORRECTIVE ACTION PLAN

FINDING 2015-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff was not aware of requirement to include Special Education expenses made through the Blackford-Delaware County Special Education Cooperative. We will familiarize ourselves with these and all requirements regarding SEFA, and will ensure all report requirements are met. We will have a process in place, including segregation of duties, to review and ensure each reimbursement request for expenditure compliance before they are submitted for reimbursement,

Anticipated Completion Date: Will implement immediately.



(Signature)

Paul Garrison, Superintendent
(Title)

August 9, 2016
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff was not aware of requirement to include Special Education – Pre-school Grant expenses made through the Blackford-Delaware County Special Education Cooperative. We will familiarize ourselves with these and all requirements regarding SEFA, and will ensure all report requirements are met. The school administration will work in conjunction with the Board of Directors for the Blackford-Delaware County Special Education Cooperative to have a process in place, including segregation of duties, to review and ensure each reimbursement request for expenditure compliance before they are submitted for reimbursement,

Anticipated Completion Date: Will implement immediately.



(Signature)

Paul Garrison, Superintendent
(Title)

August 9, 2016
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will familiarize ourselves with these and all requirements regarding school lunch program compliance, and will ensure all report requirements are met. The school administration will work to have a process in place, including segregation of duties, to review and ensure compliance of all requirements.

Anticipated Completion Date: Will implement immediately.



(Signature)

Paul Garrison, Superintendent
(Title)

August 9, 2016
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-004 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will familiarize ourselves with these and all requirements regarding Special Education Grant compliance, and will ensure all report requirements are met. The school administration will work to have a process in place, including segregation of duties, to review and ensure compliance of all requirements. Procedures were put in place for the SY 2014-2015 in order to ensure that a second employee was verifying that expenditures had been made during the period of availability before Reimbursement Requests were prepared. This procedure will continue to be diligently followed. Daleville Community Schools will continue to work with the Board for the Blackford-Delaware County Special Education Cooperative in order to ensure compliance to all required standards going forward.

Anticipated Completion Date: Will implement immediately.

(Signature)

Superintendent

(Title)

August 9, 2016

(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-005 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will familiarize ourselves with these and all requirements regarding Title I program compliance, and will ensure all report requirements are met. The school administration will work to have a process in place, including segregation of duties, to review and ensure compliance of all requirements. Semi-Annual Certification Reports began to be prepared for SY 2014-2015 and will continue to be completed in a timely manner.

Anticipated Completion Date: Will implement immediately, effective 2014-2015 school year.

(Signature)

Superintendent

(Title)

August 9, 2016

(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-006 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will implement effective internal controls and will follow all requirements of compliance, in regards to Federal Awards including those in regards to Procurement and Suspension and Debarment.

Anticipated Completion Date: Immediately



(Signature)

Paul Garrison, Superintendent
(Title)

August 9, 2016
(Date)



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OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.