

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SOUTHEAST DUBOIS COUNTY
SCHOOL CORPORATION
DUBOIS COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/19/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tracy A. Troesch	07-01-13 to 12-31-17
Superintendent of Schools	Richard D. Allen	07-01-13 to 06-30-18
President of the School Board	Kent Uebelhor	07-01-13 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Southeast Dubois County School Corporation (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 from 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 to 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 Payables and Receivables, 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 14, 2017, 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 14, 2017



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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 SOUTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS 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 Southeast Dubois County School Corporation (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 14, 2017, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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 material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

August 14, 2017

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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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SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
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	\$ 1,039,994	\$ 7,664,502	\$ 7,891,975	\$ 13,433	\$ 825,954	\$ 7,549,709	\$ 7,605,280	\$ 2,859	\$ 773,242
Debt Service	861,809	1,465,512	1,427,965	(5,418)	893,938	1,456,827	1,435,536	(18,118)	897,111
Retirement/Severance Bond Debt Service	195,829	350,302	342,485	(1,299)	202,347	353,663	343,550	(4,323)	208,137
Capital Projects	789,851	1,473,164	1,182,450	(255,505)	825,060	1,428,446	1,300,972	(278,540)	673,994
School Transportation	506,292	762,394	580,852	(148,612)	539,222	720,222	702,992	(32,176)	524,276
School Bus Replacement	149,349	141,702	202,770	(88,281)	-	133,158	-	(12,727)	120,431
Rainy Day	1,458,065	1	408,218	487,577	1,537,425	42	579,328	312,423	1,270,562
Retirement/Severance Bond	340,714	-	292,067	-	48,647	-	-	-	48,647
School Lunch	293,887	558,464	564,394	-	287,957	591,268	571,669	-	307,556
Textbook Rental	174,115	150,221	243,024	-	81,312	163,801	117,959	(900)	126,254
Self-Insurance	36,043	2,427,971	1,444,681	-	1,019,333	2,382,182	2,308,362	-	1,093,153
Levy Excess	-	-	-	15,542	15,542	-	-	33,461	49,003
Educational License Plates	5,143	169	19	-	5,293	150	-	-	5,443
Walmart Foundation Grant	-	1,750	1,567	-	183	-	183	-	-
Coke Fund	39,536	3,546	20,270	(1,160)	21,652	24,031	31,801	-	13,882
Wellborn Heroes Grant	5,615	2,507	5,170	-	2,952	4,407	7,450	91	-
Wellborn Heroes Mini Grant	-	-	-	-	-	500	79	(91)	330
M.K. Ruhe Memorial Scholarship	28,551	5,142	500	-	33,193	4,484	500	-	37,177
M.K. Ruhe Athletic Award	3,619	15	70	-	3,564	15	70	-	3,509
R. Voges Memorial Scholarship	4,072	69	300	-	3,841	18	-	-	3,859
Blessinger Memorial Scholarship	2,099	104	200	-	2,003	7	-	-	2,010
C. Austin Memorial Scholarship	6,140	129	350	-	5,919	279	-	-	6,198
E.F. Buechler Memorial Scholarship	9,538	45	200	-	9,383	45	200	-	9,228
E.F. Buechler Athletic	14,816	74	74	-	14,816	74	74	-	14,816
PSC Scholarship	-	1,000	1,000	-	-	1,000	500	-	500
Eric Helming Memorial Scholarship	-	500	500	-	-	500	-	-	500
Sherman Jones Memorial Scholarship	-	100	100	-	-	-	-	-	-
E.F. Buechler Facility	49,191	245	-	-	49,436	232	-	-	49,668
Southeast Dubois County Endowment	29,119	5,059	8,576	-	25,602	5,661	5,774	-	25,489
Ferdinand Elemntary Endowment	10,219	51	-	-	10,270	44	-	-	10,314
Forest Park Endowment	8,054	40	-	-	8,094	34	-	-	8,128
At Risk Grant	605	-	190	-	415	-	-	-	415
Preschool Parent Funded	4,748	32,392	38,300	1,160	-	80,214	71,419	100	8,895
IN Youth Institute Prof Development	-	750	750	-	-	-	-	-	-
Drug Free Communities	88	1,000	1,088	-	-	1,000	1,000	-	-
Medicaid Reimbursement	11,105	4,087	-	(13,171)	2,021	2,123	-	(2,059)	2,085
Secured Schools Safety Grant	-	-	7,300	-	(7,300)	7,300	5,800	-	(5,800)
Non-English Speaking Programs P.L. 273-1999 13-14	-	1,032	1,032	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999 14-15	-	-	-	-	-	1,374	1,374	-	-
School Technology	1,881	7,097	7,101	-	1,877	7,149	7,097	-	1,929
Performance Based Awards	-	-	-	-	-	2,843	-	-	2,843
Title I	-	58,962	59,956	-	(994)	8,170	7,176	-	-
ECIA Title I	(2,767)	6,151	3,384	-	-	53,404	54,637	-	(1,233)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	-	-	-	-
PL 105-17 IDEA Part B	(22,067)	69,987	47,920	-	-	-	-	-	-
Medicaid Reimbursement - Federal	22,856	13,120	3,438	(262)	32,276	8,761	3,377	-	37,660
Community Transformation Grant	1,666	5,250	6,916	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	28,049	28,049	-	-	-	-	-	-
Title II, Part A	(4,815)	10,892	6,077	-	-	27,939	27,939	-	-
Education Jobs	-	-	-	-	-	-	-	-	-
Petty Cash	35	-	-	-	35	-	-	-	35
Payroll Clearing	7,145	2,805,346	2,805,267	-	7,224	2,729,893	2,728,543	-	8,574
Cafeteria Payroll Clearing	-	267,476	267,476	-	-	289,071	289,071	-	-
ECA Wages	-	22,031	22,031	-	-	21,413	21,413	-	-
Student Lunch Clearing	-	209,578	209,578	-	-	222,519	222,519	-	-
Fringe Benefit Clearing	-	20,471	20,471	-	-	19,957	19,957	-	-
School Lunch Clearing Account - Student Balances	13,510	345,652	345,960	-	13,202	363,075	361,732	-	14,545
Totals	\$ 6,095,650	\$ 18,924,101	\$ 18,502,061	\$ 4,004	\$ 6,521,694	\$ 18,667,004	\$ 18,835,333	\$ -	\$ 6,353,365

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

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed 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:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts 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.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts 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 amounts 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.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plan

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.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants and funds where the reimbursement for expenditures made by the School Corporation was not received by June 30.

Note 8. Restatements

For the year ended June 30, 2014, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances:

New Fund	Prior Period Adjustment	Balance as of July 1, 2013
School Lunch Clearing Account - Student Balances	\$ 13,510	\$ 13,510

Note 9. Holding Corporations

The School Corporation has entered into a capital lease with Southeast Dubois School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2014 and 2015 totaled \$737,908 and \$721,854, respectively.

The School Corporation has entered into a capital lease with Southeast Dubois Co. Jr/Sr High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2014 and 2015 totaled \$621,000 and \$622,000, respectively.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: health, dental, and vision insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

Note 11. Subsequent Events

In May 2017, the School Corporation entered into a new lease agreement with the Southeast Dubois Co. Jr/Sr High School Building Corporation that combined the existing lease payments for the remodeling of the Jr/Sr High School with the new lease payments for renovations and addition to the Jr/Sr High School that began in May 2017. The new lease payments began July 1, 2017, and continue through January 1, 2028, and range from an annual lease rental of \$631,000 to \$1,466,000.

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 School Corporation's Financial Reports 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.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 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	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 1,039,994	\$ 861,809	\$ 195,829	\$ 789,851	\$ 506,292	\$ 149,349	\$ 1,458,065	\$ 340,714	\$ 293,887
Receipts:									
Local sources	71,940	1,465,512	350,302	1,473,164	758,567	141,702	1	-	349,186
Intermediate sources	124	-	-	-	-	-	-	-	-
State sources	7,583,133	-	-	-	-	-	-	-	12,670
Federal sources	-	-	-	-	-	-	-	-	196,608
Other receipts	9,305	-	-	-	3,827	-	-	-	-
Total receipts	7,664,502	1,465,512	350,302	1,473,164	762,394	141,702	1	-	558,464
Disbursements:									
Current:									
Instruction	5,494,500	-	-	-	-	-	222,123	276,383	-
Support services	2,121,957	-	-	1,014,760	580,852	202,770	186,095	15,684	15,064
Noninstructional services	275,518	-	-	-	-	-	-	-	549,330
Facilities acquisition and construction	-	-	-	167,690	-	-	-	-	-
Debt service	-	1,427,965	342,485	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	7,891,975	1,427,965	342,485	1,182,450	580,852	202,770	408,218	292,067	564,394
Excess (deficiency) of receipts over disbursements	(227,473)	37,547	7,817	290,714	181,542	(61,068)	(408,217)	(292,067)	(5,930)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	4,002	-	-	-	-
Transfers in	13,433	-	-	-	-	12,423	500,000	-	-
Transfers out	-	(5,418)	(1,299)	(255,505)	(152,614)	(100,704)	(12,423)	-	-
Total other financing sources (uses)	13,433	(5,418)	(1,299)	(255,505)	(148,612)	(88,281)	487,577	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(214,040)	32,129	6,518	35,209	32,930	(149,349)	79,360	(292,067)	(5,930)
Cash and investments - ending	\$ 825,954	\$ 893,938	\$ 202,347	\$ 825,060	\$ 539,222	\$ -	\$ 1,537,425	\$ 48,647	\$ 287,957

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

	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Walmart Foundation Grant	Coke Fund	Welborn Heroes Grant	Welborn Heroes Mini Grant	M.K. Ruhe Memorial Scholarship
Cash and investments - beginning	\$ 174,115	\$ 36,043	\$ -	\$ 5,143	\$ -	\$ 39,536	\$ 5,615	\$ -	\$ 28,551
Receipts:									
Local sources	124,824	2,177,971	-	-	-	3,546	2,382	-	482
Intermediate sources	-	-	-	169	1,750	-	125	-	-
State sources	25,397	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	250,000	-	-	-	-	-	-	4,660
Total receipts	150,221	2,427,971	-	169	1,750	3,546	2,507	-	5,142
Disbursements:									
Current:									
Instruction	-	-	-	-	1,567	8,997	-	-	-
Support services	243,024	241,555	-	19	-	9,479	-	-	-
Noninstructional services	-	-	-	-	-	-	5,170	-	-
Facilities acquisition and construction	-	-	-	-	-	462	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,203,126	-	-	-	500	-	-	500
Total disbursements	243,024	1,444,681	-	19	1,567	20,270	5,170	-	500
Excess (deficiency) of receipts over disbursements	(92,803)	983,290	-	150	183	(16,724)	(2,663)	-	4,642
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	15,542	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,160)	-	-	-
Total other financing sources (uses)	-	-	15,542	-	-	(1,160)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(92,803)	983,290	15,542	150	183	(17,884)	(2,663)	-	4,642
Cash and investments - ending	\$ 81,312	\$ 1,019,333	\$ 15,542	\$ 5,293	\$ 183	\$ 21,652	\$ 2,952	\$ -	\$ 33,193

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

	M.K. Ruhe Athletic	R. Voges Memorial Scholarship	Blessinger Memorial Scholarship	C. Austin Memorial Scholarship	E.F. Buechler Memorial Scholarship	E.F. Buechler Athletic	PSC Scholarship	Eric Helming Memorial Scholarship
Cash and investments - beginning	\$ 3,619	\$ 4,072	\$ 2,099	\$ 6,140	\$ 9,538	\$ 14,816	\$ -	\$ -
Receipts:								
Local sources	15	69	104	129	45	74	1,000	500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>15</u>	<u>69</u>	<u>104</u>	<u>129</u>	<u>45</u>	<u>74</u>	<u>1,000</u>	<u>500</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	70	-	-	-	-	74	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	300	200	350	200	-	1,000	500
Total disbursements	<u>70</u>	<u>300</u>	<u>200</u>	<u>350</u>	<u>200</u>	<u>74</u>	<u>1,000</u>	<u>500</u>
Excess (deficiency) of receipts over disbursements	<u>(55)</u>	<u>(231)</u>	<u>(96)</u>	<u>(221)</u>	<u>(155)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(55)</u>	<u>(231)</u>	<u>(96)</u>	<u>(221)</u>	<u>(155)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,564</u>	<u>\$ 3,841</u>	<u>\$ 2,003</u>	<u>\$ 5,919</u>	<u>\$ 9,383</u>	<u>\$ 14,816</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Sherman Jones Memorial Scholarship	E.F. Buechler Facility	Southeast Dubois County Endowment	Ferdinand Elementary Endowment	Forest Park Endowment	At Risk Grant	Preschool Parent Funded	IN Youth Institute Prof Dev
Cash and investments - beginning	\$ -	\$ 49,191	\$ 29,119	\$ 10,219	\$ 8,054	\$ 605	\$ 4,748	\$ -
Receipts:								
Local sources	100	245	5,059	51	40	-	32,392	-
Intermediate sources	-	-	-	-	-	-	-	750
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>100</u>	<u>245</u>	<u>5,059</u>	<u>51</u>	<u>40</u>	<u>-</u>	<u>32,392</u>	<u>750</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	37,904	750
Support services	-	-	116	-	-	190	396	-
Noninstructional services	-	-	7,395	-	-	-	-	-
Facilities acquisition and construction	-	-	65	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	<u>100</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>100</u>	<u>-</u>	<u>8,576</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>38,300</u>	<u>750</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>245</u>	<u>(3,517)</u>	<u>51</u>	<u>40</u>	<u>(190)</u>	<u>(5,908)</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,160	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,160</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>245</u>	<u>(3,517)</u>	<u>51</u>	<u>40</u>	<u>(190)</u>	<u>(4,748)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 49,436</u>	<u>\$ 25,602</u>	<u>\$ 10,270</u>	<u>\$ 8,094</u>	<u>\$ 415</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Drug Free Communities	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999 13-14	Non-English Speaking Programs P.L. 273-1999 14-15	School Technology	Performance Based Awards	Title I
Cash and investments - beginning	\$ 88	\$ 11,105	\$ -	\$ -	\$ -	\$ 1,881	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	1,000	-	-	-	-	-	-	-
State sources	-	4,087	-	1,032	-	7,097	-	-
Federal sources	-	-	-	-	-	-	-	58,962
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,000	4,087	-	1,032	-	7,097	-	58,962
Disbursements:								
Current:								
Instruction	-	-	-	1,032	-	-	-	59,956
Support services	1,088	-	-	-	-	7,101	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	7,300	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,088	-	7,300	1,032	-	7,101	-	59,956
Excess (deficiency) of receipts over disbursements	(88)	4,087	(7,300)	-	-	(4)	-	(994)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	262	-	-	-	-	-	-
Transfers out	-	(13,433)	-	-	-	-	-	-
Total other financing sources (uses)	-	(13,171)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(88)	(9,084)	(7,300)	-	-	(4)	-	(994)
Cash and investments - ending	\$ -	\$ 2,021	\$ (7,300)	\$ -	\$ -	\$ 1,877	\$ -	\$ (994)

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

	ECIA Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	PL 105-17 IDEA Part B	Medicaid Reimbursement - Federal	Community Transformation Grant	Improving Teaching Quality, No Child Left, Title II, Part A	Title II, Part A	Education Jobs
Cash and investments - beginning	\$ (2,767)	\$ -	\$ (22,067)	\$ 22,856	\$ 1,666	\$ -	\$ (4,815)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	6,151	-	69,987	13,120	5,250	28,049	10,892	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	6,151	-	69,987	13,120	5,250	28,049	10,892	-
Disbursements:								
Current:								
Instruction	3,384	-	47,920	-	-	28,049	6,077	-
Support services	-	-	-	3,438	-	-	-	-
Noninstructional services	-	-	-	-	6,916	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	3,384	-	47,920	3,438	6,916	28,049	6,077	-
Excess (deficiency) of receipts over disbursements	2,767	-	22,067	9,682	(1,666)	-	4,815	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(262)	-	-	-	-
Total other financing sources (uses)	-	-	-	(262)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,767	-	22,067	9,420	(1,666)	-	4,815	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 32,276	\$ -	\$ -	\$ -	\$ -

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

	Petty Cash	Payroll Clearing	Cafeteria Payroll Clearing	ECA Wages	Student Lunch Clearing	Fringe Benefit Clearing	School Lunch Clearing Account - Student Balances	Totals
Cash and investments - beginning	\$ 35	\$ 7,145	\$ -	\$ -	\$ -	\$ -	\$ 13,510	\$ 6,095,650
Receipts:								
Local sources	-	-	-	-	-	-	-	6,959,402
Intermediate sources	-	-	-	-	-	-	-	3,918
State sources	-	-	-	-	-	-	-	7,633,416
Federal sources	-	-	-	-	-	-	-	389,019
Other receipts	-	2,805,346	267,476	22,031	209,578	20,471	345,652	3,938,346
Total receipts	-	2,805,346	267,476	22,031	209,578	20,471	345,652	18,924,101
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	6,188,642
Support services	-	-	-	-	-	-	-	4,643,588
Noninstructional services	-	-	-	-	-	-	-	845,305
Facilities acquisition and construction	-	-	-	-	-	-	-	175,517
Debt service	-	-	-	-	-	-	-	1,770,450
Nonprogrammed charges	-	2,805,267	267,476	22,031	209,578	20,471	345,960	4,878,559
Total disbursements	-	2,805,267	267,476	22,031	209,578	20,471	345,960	18,502,061
Excess (deficiency) of receipts over disbursements	-	79	-	-	-	-	(308)	422,040
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	4,002
Transfers in	-	-	-	-	-	-	-	542,820
Transfers out	-	-	-	-	-	-	-	(542,818)
Total other financing sources (uses)	-	-	-	-	-	-	-	4,004
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	79	-	-	-	-	(308)	426,044
Cash and investments - ending	\$ 35	\$ 7,224	\$ -	\$ -	\$ -	\$ -	\$ 13,202	\$ 6,521,694

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 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	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 825,954	\$ 893,938	\$ 202,347	\$ 825,060	\$ 539,222	\$ -	\$ 1,537,425	\$ 48,647	\$ 287,957
Receipts:									
Local sources	35,692	1,456,827	353,663	1,414,243	720,222	133,158	42	-	368,748
Intermediate sources	124	-	-	-	-	-	-	-	-
State sources	7,513,893	-	-	-	-	-	-	-	13,156
Federal sources	-	-	-	-	-	-	-	-	209,364
Other receipts	-	-	-	14,203	-	-	-	-	-
Total receipts	<u>7,549,709</u>	<u>1,456,827</u>	<u>353,663</u>	<u>1,428,446</u>	<u>720,222</u>	<u>133,158</u>	<u>42</u>	<u>-</u>	<u>591,268</u>
Disbursements:									
Current:									
Instruction	5,354,952	-	-	-	-	-	352,510	-	-
Support services	1,972,273	-	-	904,969	702,992	-	226,657	-	5,057
Noninstructional services	278,055	-	-	-	-	-	161	-	566,612
Facilities acquisition and construction	-	-	-	396,003	-	-	-	-	-
Debt service	-	1,435,536	343,550	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>7,605,280</u>	<u>1,435,536</u>	<u>343,550</u>	<u>1,300,972</u>	<u>702,992</u>	<u>-</u>	<u>579,328</u>	<u>-</u>	<u>571,669</u>
Excess (deficiency) of receipts over disbursements	<u>(55,571)</u>	<u>21,291</u>	<u>10,113</u>	<u>127,474</u>	<u>17,230</u>	<u>133,158</u>	<u>(579,286)</u>	<u>-</u>	<u>19,599</u>
Other financing sources (uses):									
Transfers in	2,859	5,418	1,299	5,506	2,614	704	312,423	-	-
Transfers out	-	(23,536)	(5,622)	(284,046)	(34,790)	(13,431)	-	-	-
Total other financing sources (uses)	<u>2,859</u>	<u>(18,118)</u>	<u>(4,323)</u>	<u>(278,540)</u>	<u>(32,176)</u>	<u>(12,727)</u>	<u>312,423</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(52,712)</u>	<u>3,173</u>	<u>5,790</u>	<u>(151,066)</u>	<u>(14,946)</u>	<u>120,431</u>	<u>(266,863)</u>	<u>-</u>	<u>19,599</u>
Cash and investments - ending	<u>\$ 773,242</u>	<u>\$ 897,111</u>	<u>\$ 208,137</u>	<u>\$ 673,994</u>	<u>\$ 524,276</u>	<u>\$ 120,431</u>	<u>\$ 1,270,562</u>	<u>\$ 48,647</u>	<u>\$ 307,556</u>

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Walmart Foundation Grant	Coke Fund	Welborn Heroes Grant	Welborn Heroes Mini Grant	M.K. Ruhe Memorial Scholarship
Cash and investments - beginning	\$ 81,312	\$ 1,019,333	\$ 15,542	\$ 5,293	\$ 183	\$ 21,652	\$ 2,952	\$ -	\$ 33,193
Receipts:									
Local sources	132,495	2,382,182	-	-	-	24,031	3,157	-	626
Intermediate sources	-	-	-	150	-	-	1,250	500	-
State sources	31,306	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	3,858
Total receipts	163,801	2,382,182	-	150	-	24,031	4,407	500	4,484
Disbursements:									
Current:									
Instruction	-	-	-	-	183	13,237	-	-	-
Support services	117,959	359,813	-	-	-	15,297	-	-	-
Noninstructional services	-	-	-	-	-	2,323	7,450	79	-
Facilities acquisition and construction	-	-	-	-	-	444	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,948,549	-	-	-	500	-	-	500
Total disbursements	117,959	2,308,362	-	-	183	31,801	7,450	79	500
Excess (deficiency) of receipts over disbursements	45,842	73,820	-	150	(183)	(7,770)	(3,043)	421	3,984
Other financing sources (uses):									
Transfers in	-	-	49,003	-	-	-	91	-	-
Transfers out	(900)	-	(15,542)	-	-	-	-	(91)	-
Total other financing sources (uses)	(900)	-	33,461	-	-	-	91	(91)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	44,942	73,820	33,461	150	(183)	(7,770)	(2,952)	330	3,984
Cash and investments - ending	\$ 126,254	\$ 1,093,153	\$ 49,003	\$ 5,443	\$ -	\$ 13,882	\$ -	\$ 330	\$ 37,177

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	M.K. Ruhe Athletic	R. Voges Memorial Scholarship	Blessinger Memorial Scholarship	C. Austin Memorial Scholarship	E.F. Buechler Memorial Scholarship	E.F. Buechler Athletic	PSC Scholarship	Eric Helming Memorial Scholarship
Cash and investments - beginning	\$ 3,564	\$ 3,841	\$ 2,003	\$ 5,919	\$ 9,383	\$ 14,816	\$ -	\$ -
Receipts:								
Local sources	15	18	7	279	45	74	1,000	500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>15</u>	<u>18</u>	<u>7</u>	<u>279</u>	<u>45</u>	<u>74</u>	<u>1,000</u>	<u>500</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	70	-	-	-	-	74	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	200	-	500	-
Total disbursements	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>74</u>	<u>500</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(55)</u>	<u>18</u>	<u>7</u>	<u>279</u>	<u>(155)</u>	<u>-</u>	<u>500</u>	<u>500</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(55)</u>	<u>18</u>	<u>7</u>	<u>279</u>	<u>(155)</u>	<u>-</u>	<u>500</u>	<u>500</u>
Cash and investments - ending	<u>\$ 3,509</u>	<u>\$ 3,859</u>	<u>\$ 2,010</u>	<u>\$ 6,198</u>	<u>\$ 9,228</u>	<u>\$ 14,816</u>	<u>\$ 500</u>	<u>\$ 500</u>

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Sherman Jones Memorial Scholarship	E.F. Buechler Facility	Southeast Dubois County Endowment	Ferdinand Elementary Endowment	Forest Park Endowment	At Risk Grant	Preschool Parent Funded	IN Youth Institute Prof Dev
Cash and investments - beginning	\$ -	\$ 49,436	\$ 25,602	\$ 10,270	\$ 8,094	\$ 415	\$ -	\$ -
Receipts:								
Local sources	-	232	5,661	44	34	-	80,214	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>232</u>	<u>5,661</u>	<u>44</u>	<u>34</u>	<u>-</u>	<u>80,214</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	2,720	-	-	-	71,419	-
Support services	-	-	972	-	-	-	-	-
Noninstructional services	-	-	1,532	-	-	-	-	-
Facilities acquisition and construction	-	-	550	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>5,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,419</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>232</u>	<u>(113)</u>	<u>44</u>	<u>34</u>	<u>-</u>	<u>8,795</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	100	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>232</u>	<u>(113)</u>	<u>44</u>	<u>34</u>	<u>-</u>	<u>8,895</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 49,668</u>	<u>\$ 25,489</u>	<u>\$ 10,314</u>	<u>\$ 8,128</u>	<u>\$ 415</u>	<u>\$ 8,895</u>	<u>\$ -</u>

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Drug Free Communities	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999 13-14	Non-English Speaking Programs P.L. 273-1999 14-15	School Technology	Performance Based Awards	Title I
Cash and investments - beginning	\$ -	\$ 2,021	\$ (7,300)	\$ -	\$ -	\$ 1,877	\$ -	\$ (994)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	1,000	-	-	-	-	-	-	-
State sources	-	2,123	7,300	-	1,374	7,149	2,843	-
Federal sources	-	-	-	-	-	-	-	8,170
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,000	2,123	7,300	-	1,374	7,149	2,843	8,170
Disbursements:								
Current:								
Instruction	-	-	-	-	1,374	-	-	7,176
Support services	1,000	-	-	-	-	7,097	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	5,800	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,000	-	5,800	-	1,374	7,097	-	7,176
Excess (deficiency) of receipts over disbursements	-	2,123	1,500	-	-	52	2,843	994
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(2,059)	-	-	-	-	-	-
Total other financing sources (uses)	-	(2,059)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	64	1,500	-	-	52	2,843	994
Cash and investments - ending	\$ -	\$ 2,085	\$ (5,800)	\$ -	\$ -	\$ 1,929	\$ 2,843	\$ -

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	ECIA Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	PL 105-17 IDEA Part B	Medicaid Reimbursement - Federal	Community Transformation Grant	Improving Teaching Quality, No Child Left, Title II, Part A	Title II, Part A	Education Jobs
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 32,276	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	53,404	-	-	8,761	-	-	27,939	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	53,404	-	-	8,761	-	-	27,939	-
Disbursements:								
Current:								
Instruction	54,637	-	-	-	-	-	27,939	-
Support services	-	-	-	3,377	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	54,637	-	-	3,377	-	-	27,939	-
Excess (deficiency) of receipts over disbursements	(1,233)	-	-	5,384	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,233)	-	-	5,384	-	-	-	-
Cash and investments - ending	\$ (1,233)	\$ -	\$ -	\$ 37,660	\$ -	\$ -	\$ -	\$ -

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Petty Cash	Payroll Clearing	Cafeteria Payroll Clearing	ECA Wages	Student Lunch Clearing	Fringe Benefit Clearing	School Lunch Clearing Account - Student Balances	Totals
Cash and investments - beginning	\$ 35	\$ 7,224	\$ -	\$ -	\$ -	\$ -	\$ 13,202	\$ 6,521,694
Receipts:								
Local sources	-	-	-	-	-	-	-	7,113,209
Intermediate sources	-	-	-	-	-	-	-	3,024
State sources	-	-	-	-	-	-	-	7,579,144
Federal sources	-	-	-	-	-	-	-	307,638
Other receipts	-	2,729,893	289,071	21,413	222,519	19,957	363,075	3,663,989
Total receipts	-	2,729,893	289,071	21,413	222,519	19,957	363,075	18,667,004
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	5,886,147
Support services	-	-	-	-	-	-	-	4,317,463
Noninstructional services	-	-	-	-	-	-	-	856,356
Facilities acquisition and construction	-	-	-	-	-	-	-	402,797
Debt service	-	-	-	-	-	-	-	1,779,086
Nonprogrammed charges	-	2,728,543	289,071	21,413	222,519	19,957	361,732	5,593,484
Total disbursements	-	2,728,543	289,071	21,413	222,519	19,957	361,732	18,835,333
Excess (deficiency) of receipts over disbursements	-	1,350	-	-	-	-	1,343	(168,329)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	380,017
Transfers out	-	-	-	-	-	-	-	(380,017)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,350	-	-	-	-	1,343	(168,329)
Cash and investments - ending	\$ 35	\$ 8,574	\$ -	\$ -	\$ -	\$ -	\$ 14,545	\$ 6,353,365

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 171,485</u>	<u>\$ -</u>

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Southeast Dubois School Building Corporation	Construction of Cedar Crest/Remodeling of Pine Ridge Elementary and Pension Debt	\$ 1,074,000	1/15/2013	1/15/2025
Southeast Dubois Co. Jr/Sr High School Building Corporation	Remodeling of Forest Park Jr/Sr High	<u>632,000</u>	7/1/2009	6/25/2020
Total governmental activities		<u>1,706,000</u>		
Total of annual lease payments		<u>\$ 1,706,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and Loans Payable	Forest Park Outside Facilities	\$ 125,000	\$ 66,888
Totals		<u>\$ 125,000</u>	<u>\$ 66,888</u>

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SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 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	\$ 1,467,857
Infrastructure	392,400
Buildings	46,720,263
Improvements other than buildings	338,506
Machinery, equipment, and vehicles	1,807,016
Total governmental activities	50,726,042
Total capital assets	\$ 50,726,042

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE SOUTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Southeast Dubois County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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 2015-002. 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 a 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 2015-001 and 2015-002 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

August 14, 2017

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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.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
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						
School Breakfast Program		10.553	FY2014	\$ -	\$ 18,065	\$ -	\$ -
School Breakfast Program		10.553	FY2015	-	-	-	20,455
Total - School Breakfast Program				-	18,065	-	20,455
National School Lunch Program							
National School Lunch Program	Indiana Department of Education						
National School Lunch Program		10.555	FY2014	-	178,493	-	-
National School Lunch Program		10.555	FY2015	-	-	-	188,909
Commodities		10.555	FY2014	-	55,718	-	-
Commodities		10.555	FY2015	-	-	-	50,601
Total - National School Lunch Program				-	234,211	-	239,510
Total - Child Nutrition Cluster				-	252,276	-	259,965
Total - Department of Agriculture				-	252,276	-	259,965
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
FY2013 Part B IDEA 611	Indiana Department of Education						
FY2014 Part B IDEA 611		84.027	14213-011-PN01	-	122,542	-	11,498
FY2015 Part B IDEA 611		84.027	14214-011-PN01	-	129,425	-	116,042
FY2014 Technical Assistance		84.027	14215-011-PN01	-	-	-	117,497
Special Education Improvement Award		84.027	99914-011-TA01	-	3,426	-	2,043
		84.027	A58-3-13DL-1465	-	69,988	-	-
Total - Special Education_Grants to States				-	325,381	-	247,080
Special Education_Preschool Grants							
FY2013 Preschool 619	Indiana Department of Education						
FY2014 Preschool 619		84.173	45713-011-PN01	-	4,754	-	-
FY2015 Preschool 619		84.173	45714-011-PN01	-	4,122	-	5,132
		84.173	45715-011-PN01	-	-	-	3,803
Total - Special Education_Preschool Grants				-	8,876	-	8,935
Total - Special Education Cluster (IDEA)				-	334,257	-	256,015

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

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	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 Education (continued)</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I 2012/2013		84.010	2012/2013	-	6,151	-	-
Title I 2013/2014		84.010	2013/2014	-	58,962	-	8,170
Title I 2014/2015		84.010	2014/2015	-	-	-	53,404
Total - Title I Grants to Local Educational Agencies				-	65,113	-	61,574
Improving Teacher Quality State Grants	Indiana Department of Education						
Title II, Part A FFY 2012		84.367	12-2100	-	10,892	-	-
Title II, Part A FFY 2013		84.367	13-2100	-	28,049	-	-
Title II, Part A FFY 2014		84.367	14-2100	-	-	-	27,939
Total - Improving Teacher Quality State Grants				-	38,941	-	27,939
Total - Department of Education				-	438,311	-	345,528
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education						
Medicaid Reimbursement		93.778	2013/2014	-	4,846	-	-
Medicaid Reimbursement		93.778	2014/2015	-	-	-	5,645
Total - Medical Assistance Program				-	4,846	-	5,645
Total - Medicaid Cluster				-	4,846	-	5,645
PPHF: Community Transformation Grants - Small Communities Program financed solely by Public Prevention and Health Funds	Welborn Baptist Foundation Inc.						
Community Transformation Grant for Schools		93.737	1H75DP004375-01	-	5,600	-	-
Total - Department of Health and Human Services				-	10,446	-	5,645
Total federal awards expended				\$ -	\$ 701,033	\$ -	\$ 611,138

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

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
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-87, *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.

Note 3. Exceptional Children's Cooperative

The School Corporation is a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement of the School Corporation.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

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

No matters are reportable.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001

Subject: Internal Control over Child Nutrition Cluster
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): FY2014, FY2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Reporting, Special Tests and Provisions - Verification
of Free and Reduced Price Applications (NSLP)
Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

Reporting

An effective internal control system was not in place to ensure that the School Food Authority (SFA) monthly Sponsor Claim (claims for reimbursement), Annual Financial Reports, and Verification Collection Reports were accurately prepared and submitted. There was no segregation of duties, such as an oversight, review, or approval process.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

An effective internal control system was not in place to ensure that verification of free and reduced price applications was completed and accurate. There was no segregation of duties, such as an oversight, review, or approval process.

Context

These were systemic issues. Controls did not exist over the compliance requirements listed above during the audit period.

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, including segregation of duties, that would have ensured that the School Corporation complied with the compliance requirements listed above.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 the 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 the compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2015-002

Subject: Special Education_Grants to States - Suspension and Debarment

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): 14213-011-PN01, 14214-011-PN01,
14215-011-PN01, 99914-011-TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation was a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and managed the Special Education grant funds.

Management of the Cooperative had not established an effective internal control system to ensure compliance with requirements related to the grant agreement and the Suspension and Debarment compliance requirement.

The Cooperative's Director signed the Application and Assurance Plan as a Condition of Federal Assistance, which stated that the Cooperative would check subcontractors to ensure they were not presently debarred; suspended; proposed for debarment; declared ineligible or voluntarily excluded by any federal agency or by any department, agency, or political subdivision of the State of Indiana. However, the Cooperative did not have procedures in place to verify that vendors were not suspended, debarred, or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into contracts with them.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

During the 2014-2015 school year, there were two contracts entered into that exceeded \$25,000. The Cooperative did not verify that the vendors were not suspended or debarred prior to awarding the contracts.

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 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured that the Cooperative complied with the grant agreement and the Suspension and Debarment requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no question costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Suspension and Debarment requirements listed above.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

Southeast Dubois County School Corporation

Board Members:
Kent Uebelhor
Matt Eckert
Cecelia Hamilton
Elaine Miller
Brian Partenheimer

432 E 15th Street
Ferdinand, Indiana 47532
(812) 817-0900
(812) 367-1075

Richard D. Allen
Superintendent
Tracy Troesch
Treasurer
Sharon Welp
Deputy Treasurer

CORRECTIVE ACTION PLAN

FINDING 2015-001

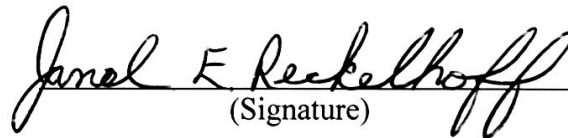
Contact Person Responsible for Corrective Action: Janel Reckelhoff
Contract Phone Number: (812) 817-0900

Description of Corrective Action Plan:

The Annual Financial Report is completed by Janel Reckelhoff, Food Service Director, from the financial statements. Tracy Troesch, Corporation Treasurer, reviews and signs off on the Annual Financial Report.

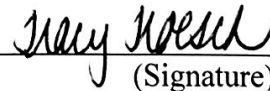
The verification of free and reduced applications are performed by Janel Reckelhoff, Food Service Director. The DOE department of nutrition notifies Janel the number of applications to verify based on their review and findings for the School Corporation. During the 2016-2017 school year, Lisa Fletcher, Guidance Secretary, reviewed and signed the applications for verification of application review. For the 2017-2018 school year and forward, Sharon Welp, Deputy Treasurer, and/or Tracy Troesch, Treasurer, will review and sign the applications for verification of application review. The change in reviewers is due to Janel's office relocation from Forest Park Jr./Sr. High School to the Central Office.

Anticipated Completion Date: Immediate


(Signature)

Food Service Director
(Title)

08/02/2017
(Date)


(Signature)

Treasurer
(Title)

08/02/2017
(Date)

Southeast Dubois County School Corporation

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Matt Eckert
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Richard D. Allen
Superintendent
Tracy Troesch
Treasurer
Sharon Welp
Deputy Treasurer

CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Richard Allen
Contract Phone Number: (812) 817-0900

Description of Corrective Action Plan:

As a member of the Board of the Exceptional Children's Co-op, the superintendent will ensure that the Exceptional Children's Co-op verifies that vendors are not suspended or debarred from participating in federal assistance programs prior to awarding contracts to them.

Anticipated Completion Date: Immediate



(Signature)

Superintendent
(Title)

08/03/2017
(Date)

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/>.