

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
DEKALB COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
01/11/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lance Brauchla Stephen W. Snider	07-01-14 to 07-31-14 08-01-14 to 12-31-17
Superintendent of Schools	Dr. Sherry L. Grate Steven Teders	07-01-14 to 06-30-15 07-01-16 to 06-30-18
President of the School Board	Jay A. Baumgartner Bruce L. Buttermore	01-01-14 to 12-31-15 01-01-16 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL UNITED  
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the DeKalb County Central United School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, 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, 2014 to June 30, 2016.

***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, 2014 to June 30, 2016, 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 and Schedule of Leases and Debt, 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 November 27, 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

November 27, 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 DEKALB COUNTY CENTRAL UNITED  
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the DeKalb County Central United School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated November 27, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

**DeKalb County Central United School District's 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

November 27, 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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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER  
FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 2,078,607	\$ 22,783,115	\$ 23,315,212	\$ (100,184)	\$ 1,446,326	\$ 22,978,639	\$ 23,042,665	\$ (116,296)	\$ 1,266,004
Debt Service	1,591,535	6,035,621	5,136,534	-	2,490,622	5,069,921	4,314,200	(68,642)	3,177,701
Capital Projects	1,471,736	3,365,477	2,988,737	13,312	1,865,788	3,457,614	3,182,069	18,111	2,159,444
School Transportation	1,335,723	3,405,796	3,290,455	(219,000)	1,232,064	2,930,978	3,437,847	(320,000)	405,195
School Bus Replacement	(51,783)	505,508	84,060	(14,000)	355,665	593,669	822,287	(70,000)	57,047
Rainy Day	1,135,030	-	9,777	233,000	1,358,253	82,356	586,987	390,000	1,243,622
Retirement/Severance Bond	1,173,042	117	-	-	1,173,159	118	13,000	-	1,160,277
Post-Retirement/Severance Future Benefits	99,640	-	-	-	99,640	-	-	-	99,640
Construction	145,670	-	87,769	-	57,901	-	3,771	-	54,130
School Lunch	157,246	1,881,353	1,829,166	184	209,617	1,802,201	1,928,739	-	83,079
Textbook Rental	168,003	449,997	285,963	-	332,037	510,509	403,183	68,642	508,005
Self-Insurance	899,572	4,652,241	4,301,512	-	1,250,301	3,986,497	4,586,897	-	649,901
Child Care Program	-	37,665	53,966	-	(16,301)	5	-	16,296	-
Educational License Plates	1,113	150	775	-	488	225	777	-	(64)
Alternative Education	17,502	31,838	123,408	100,000	25,932	24,780	144,222	100,000	6,490
Safe Haven 13-14/SRO Salary	(20,187)	-	-	-	(20,187)	50,000	-	-	29,813
Safe Haven 2014-15 SRO	9,870	-	33,113	-	(23,243)	33,028	59,785	-	(50,000)
Early Intervention 13-14	(28,884)	40,100	5,226	-	5,990	-	5,990	-	-
Early Intervention 2015	-	40,000	24,166	-	15,834	-	15,834	-	-
Early Intervention 2016	-	-	-	-	-	17,000	3,952	-	13,048
State General Fund Loan	(3,223)	15	-	-	(3,208)	-	-	-	(3,208)
Extra-Curricular Activities	(679)	8,984	85,809	-	(77,504)	2,689	(80,782)	-	5,967
Miscellaneous Programs	16,845	-	-	-	16,845	-	-	-	16,845
Pre-School Program	-	117,558	117,637	-	(79)	211,072	223,488	-	(12,495)
Washington DC Dekko Grant	-	-	-	-	-	4,125	3,740	-	385
Homebound - HP	(5,629)	2,638	30,407	-	(33,398)	35,134	29,416	-	(27,680)
Professional Developmental Grant	138,000	-	88,307	-	49,693	188,000	298,078	-	(60,385)
MCK Summer Reading - VOICE	-	-	-	-	-	500	200	-	300
Baron TV - VOICE	-	-	-	-	-	450	433	-	17
Joymakers Grant (S Kennedy)	-	-	-	-	-	250	250	-	-
Summer of e-Learning	-	-	-	-	-	1,395	-	-	1,395
Dekko - Museum of Science trip	-	-	-	-	-	3,300	-	-	3,300
Dekko - MCK Playground	-	-	-	-	-	50,000	-	-	50,000
Dekko - Spark Training	-	-	-	-	-	2,562	1,629	-	933
Tech Repair Lenovo	480	230,835	-	-	231,315	(229,330)	-	-	1,985
Talent Initiative (New Tech DHS)	(169,500)	-	100	-	(169,600)	230,500	60,400	-	500
Other Local Grant	-	-	-	-	-	25,000	25,000	-	-
Formative Assessment	-	-	-	-	-	33,072	3,384	-	29,688
Non-English Speaking 2012-13	157	-	-	-	157	-	-	-	157
School Technology	18,777	40,197	31,497	-	27,477	231,964	124,334	-	135,107
High Ability 2012-13	(590)	-	405	-	(995)	-	(995)	-	-
High Ability 2013-14	42,738	-	42,738	-	-	-	-	-	-
High Ability 2015	-	41,970	41,970	-	-	-	-	-	-
High Ability 2016	-	-	-	-	-	43,039	40,810	-	2,229
Senator David Ford Technology	-	2,000	2,000	-	-	-	-	-	-
Title I 2012-13	24	-	-	-	24	-	24	-	-
Title I 2013-14	(248,445)	396,387	155,818	-	(7,876)	-	(7,876)	-	-
Title I 2014-15	-	194,812	277,756	-	(82,944)	380,908	297,964	-	-
Title I 2015-16	-	-	-	-	-	340,070	492,631	-	(152,561)
Title II 2011-12	(17,711)	-	-	-	(17,711)	-	-	-	(17,711)
Title II 2012-13	(41,015)	45,526	13,087	-	(8,576)	-	-	-	(8,576)
Improving Teacher Quality, No Child Left, Title II, Part A	-	-	45,074	-	(45,074)	85,212	47,931	-	(7,793)
Title II-A FFY2015 2015/16	-	-	-	-	-	-	19,655	-	(19,655)
Title II - A - 2016 / 2017	-	-	-	-	-	250	8,445	-	(8,195)
Title III	-	2,118	3,897	-	(1,779)	-	(1,779)	-	-
Payroll	55,759	11,688,151	11,698,777	-	45,133	12,852,722	12,852,386	-	45,469
Prepaid Food	69,408	760,109	826,466	-	3,051	733,887	701,959	-	34,979
Other Clearing	(25,988)	178,655	57,739	-	94,928	2,686	191	-	97,423
<b>Totals</b>	<b>\$ 10,012,843</b>	<b>\$ 56,942,933</b>	<b>\$ 55,089,323</b>	<b>\$ 13,312</b>	<b>\$ 11,879,765</b>	<b>\$ 56,766,997</b>	<b>\$ 57,693,121</b>	<b>\$ 18,111</b>	<b>\$ 10,971,752</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

School Corporation, as used herein, shall include, but is not limited to, 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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
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.

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

*Other receipts.* 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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
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. Negative Receipts and Disbursements**

The financial statement contains some receipts and disbursements which appear as negative entries. This is a result of correcting posting errors.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of timing or board approval to subsidize a negative fund balance by transfer from the General fund. In addition, this is a result of the funds being set up for reimbursable grants or from under estimation of current requirements. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Holding Corporations**

The School Corporation has entered into a capital lease with DeKalb Central Elementary 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 fiscal years 2014-2015 and 2015-2016 totaled \$1,142,080 and \$558,360, respectively.

The School Corporation has entered into a capital lease with DeKalb Central High School Renovation 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 fiscal years 2014-2015 and 2015-2016 totaled \$1,998,654 and \$0, respectively.

The School Corporation has entered into a capital lease with DeKalb County Central 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 fiscal years 2014-2015 and 2015-2016 totaled \$657,000 and \$1,150,000, respectively.

The School Corporation has entered into a capital lease with DeKalb McKenney-Harrison 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 fiscal years 2014-2015 and 2015-2016 totaled \$926,000 and \$2,055,000, respectively.

**Note 10. Combined Funds**

Funds related to Payroll Withholdings and Other Clearing were reported as one fund in the prior financial statement, but are reported separately for the current financial statement.

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## 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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 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	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits
Cash and investments - beginning	\$ 2,078,607	\$ 1,591,535	\$ 1,471,736	\$ 1,335,723	\$ (51,783)	\$ 1,135,030	\$ 1,173,042	\$ 99,640
Receipts:								
Local sources	132,310	6,035,621	3,369,477	2,671,177	505,508	-	117	-
Intermediate sources	23	-	-	-	-	-	-	-
State sources	22,650,782	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	734,619	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	22,783,115	6,035,621	3,369,477	3,405,796	505,508	-	117	-
Disbursements:								
Instruction	16,195,819	-	-	-	-	-	-	-
Support services	7,118,338	-	2,180,914	2,435,451	84,060	-	-	-
Noninstructional services	1,055	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	574,997	-	-	9,777	-	-
Debt service	-	5,136,534	232,826	855,004	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	23,315,212	5,136,534	2,988,737	3,290,455	84,060	9,777	-	-
Excess (deficiency) of receipts over disbursements	(532,097)	899,087	380,740	115,341	421,448	(9,777)	117	-
Other financing sources (uses):								
Sale of capital assets	-	-	13,312	-	-	-	-	-
Transfers in	11	-	-	-	-	233,000	-	-
Transfers out	(100,195)	-	-	(219,000)	(14,000)	-	-	-
Total other financing sources (uses)	(100,184)	-	13,312	(219,000)	(14,000)	233,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(632,281)	899,087	394,052	(103,659)	407,448	223,223	117	-
Cash and investments - ending	\$ 1,446,326	\$ 2,490,622	\$ 1,865,788	\$ 1,232,064	\$ 355,665	\$ 1,358,253	\$ 1,173,159	\$ 99,640

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	Construction	School Lunch	Textbook Rental	Self-Insurance	Child Care Program	Educational License Plates	Alternative Education	Safe Haven 13-14/SRO Salary
Cash and investments - beginning	\$ 145,670	\$ 157,246	\$ 168,003	\$ 899,572	\$ -	\$ 1,113	\$ 17,502	\$ (20,187)
Receipts:								
Local sources	-	892,518	328,862	4,579,387	37,665	150	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	335,892	121,135	-	-	-	31,838	-
Federal sources	-	581,451	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	71,492	-	72,854	-	-	-	-
Total receipts	-	1,881,353	449,997	4,652,241	37,665	150	31,838	-
Disbursements:								
Instruction	-	-	-	-	-	-	123,408	-
Support services	-	356	285,963	4,301,512	90	775	-	-
Noninstructional services	-	1,828,810	-	-	53,876	-	-	-
Facilities acquisition and construction	87,769	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	87,769	1,829,166	285,963	4,301,512	53,966	775	123,408	-
Excess (deficiency) of receipts over disbursements	(87,769)	52,187	164,034	350,729	(16,301)	(625)	(91,570)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	184	-	-	-	-	100,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	184	-	-	-	-	100,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(87,769)	52,371	164,034	350,729	(16,301)	(625)	8,430	-
Cash and investments - ending	\$ 57,901	\$ 209,617	\$ 332,037	\$ 1,250,301	\$ (16,301)	\$ 488	\$ 25,932	\$ (20,187)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	Safe Haven 2014-15 SRO	Early Intervention 13-14	Early Intervention 2015	Early Intervention 2016	State General Fund Loan	Extra- Curricular Activities	Miscellaneous Programs	Pre-School Program
Cash and investments - beginning	\$ 9,870	\$ (28,884)	\$ -	\$ -	\$ (3,223)	\$ (679)	\$ 16,845	\$ -
Receipts:								
Local sources	-	-	-	-	15	8,984	-	117,558
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	40,100	40,000	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	40,100	40,000	-	15	8,984	-	117,558
Disbursements:								
Instruction	-	-	-	-	-	85,809	-	117,637
Support services	33,113	5,226	24,166	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	33,113	5,226	24,166	-	-	85,809	-	117,637
Excess (deficiency) of receipts over disbursements	(33,113)	34,874	15,834	-	15	(76,825)	-	(79)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,113)	34,874	15,834	-	15	(76,825)	-	(79)
Cash and investments - ending	\$ (23,243)	\$ 5,990	\$ 15,834	\$ -	\$ (3,208)	\$ (77,504)	\$ 16,845	\$ (79)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	Washington DC Dekko Grant	Homebound - HP	Professional Developmental Grant	MCK Summer Reading - VOICE	Baron TV - VOICE	Joymakers Grant (S Kennedy)	Summer of e-Learning	Dekko - Museum of Science trip
Cash and investments - beginning	\$ -	\$ (5,629)	\$ 138,000	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	2,638	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	2,638	-	-	-	-	-	-
Disbursements:								
Instruction	-	30,407	-	-	-	-	-	-
Support services	-	-	88,307	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	30,407	88,307	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(27,769)	(88,307)	-	-	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(27,769)	(88,307)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ (33,398)	\$ 49,693	\$ -	\$ -	\$ -	\$ -	\$ -

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	Dekko - MCK Playground	Dekko - Spark Training	Tech Repair Lenovo	Talent Initiative (New Tech DHS)	Other Local Grant	Formative Assessment	Non- English Speaking 2012-13
Cash and investments - beginning	\$ -	\$ -	\$ 480	\$ (169,500)	\$ -	\$ -	\$ 157
Receipts:							
Local sources	-	-	230,835	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	230,835	-	-	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	100	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	100	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	230,835	(100)	-	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	230,835	(100)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 231,315	\$ (169,600)	\$ -	\$ -	\$ 157

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	School Technology	High Ability 2012-13	High Ability 2013-14	High Ability 2015	High Ability 2016	Senator David Ford Technology	Title I 2012-13
Cash and investments - beginning	\$ 18,777	\$ (590)	\$ 42,738	\$ -	\$ -	\$ -	\$ 24
Receipts:							
Local sources	40,197	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	41,970	-	2,000	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	40,197	-	-	41,970	-	2,000	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	31,497	405	42,738	41,970	-	2,000	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	31,497	405	42,738	41,970	-	2,000	-
Excess (deficiency) of receipts over disbursements	8,700	(405)	(42,738)	-	-	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,700	(405)	(42,738)	-	-	-	-
Cash and investments - ending	\$ 27,477	\$ (995)	\$ -	\$ -	\$ -	\$ -	\$ 24

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	Title I 2013-14	Title I 2014-15	Title I 2015-16	Title II 2011-12	Title II 2012-13	Improving Teacher Quality, No Child Left, Title II, Part A	Title II-A FFY2015 2015/16
Cash and investments - beginning	\$ (248,445)	\$ -	\$ -	\$ (17,711)	\$ (41,015)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	396,387	194,812	-	-	45,526	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	396,387	194,812	-	-	45,526	-	-
Disbursements:							
Instruction	88,615	278,104	-	-	-	-	-
Support services	67,203	(295)	-	-	13,087	45,074	-
Noninstructional services	-	(53)	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	155,818	277,756	-	-	13,087	45,074	-
Excess (deficiency) of receipts over disbursements	240,569	(82,944)	-	-	32,439	(45,074)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	240,569	(82,944)	-	-	32,439	(45,074)	-
Cash and investments - ending	\$ (7,876)	\$ (82,944)	\$ -	\$ (17,711)	\$ (8,576)	\$ (45,074)	\$ -

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES -REGULATORY BASIS  
 For the Year Ended June 30, 2015

	Title II - A - 2016 / 2017	Title III	Payroll	Prepaid Food	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 55,759	\$ 69,408	\$ (25,988)	\$ 10,012,843
Receipts:						
Local sources	-	-	-	760,109	-	19,710,490
Intermediate sources	-	-	-	-	-	23
State sources	-	-	-	-	-	23,266,355
Federal sources	-	2,118	-	-	-	1,220,294
Temporary loans	-	-	-	-	-	734,619
Other receipts	-	-	11,688,151	-	178,655	12,011,152
Total receipts	-	2,118	11,688,151	760,109	178,655	56,942,933
Disbursements:						
Instruction	-	2,939	-	-	-	16,922,738
Support services	-	958	-	-	-	16,802,908
Noninstructional services	-	-	-	826,466	-	2,710,154
Facilities acquisition and construction	-	-	-	-	-	672,643
Debt service	-	-	-	-	-	6,224,364
Nonprogrammed charges	-	-	11,698,777	-	57,739	11,756,516
Total disbursements	-	3,897	11,698,777	826,466	57,739	55,089,323
Excess (deficiency) of receipts over disbursements	-	(1,779)	(10,626)	(66,357)	120,916	1,853,610
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	13,312
Transfers in	-	-	-	-	-	333,195
Transfers out	-	-	-	-	-	(333,195)
Total other financing sources (uses)	-	-	-	-	-	13,312
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,779)	(10,626)	(66,357)	120,916	1,866,922
Cash and investments - ending	\$ -	\$ (1,779)	\$ 45,133	\$ 3,051	\$ 94,928	\$ 11,879,765

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 1,446,326	\$ 2,490,622	\$ 1,865,788	\$ 1,232,064	\$ 355,665	\$ 1,358,253	\$ 1,173,159	\$ 99,640
Receipts:								
Local sources	127,040	5,069,921	3,437,295	2,926,977	593,669	82,356	118	-
Intermediate sources	10	-	-	-	-	-	-	-
State sources	22,851,589	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	20,319	4,001	-	-	-	-
Total receipts	22,978,639	5,069,921	3,457,614	2,930,978	593,669	82,356	118	-
Disbursements:								
Instruction	15,600,260	-	-	-	-	407,145	-	-
Support services	7,074,657	-	2,066,542	2,703,228	822,287	86,664	13,000	-
Noninstructional services	367,748	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	923,050	-	-	93,178	-	-
Debt service	-	4,314,200	192,477	734,619	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	23,042,665	4,314,200	3,182,069	3,437,847	822,287	586,987	13,000	-
Excess (deficiency) of receipts over disbursements	(64,026)	755,721	275,545	(506,869)	(228,618)	(504,631)	(12,882)	-
Other financing sources (uses):								
Sale of capital assets	-	-	18,111	-	-	-	-	-
Transfers in	-	-	-	-	-	390,000	-	-
Transfers out	(116,296)	(68,642)	-	(320,000)	(70,000)	-	-	-
Total other financing sources (uses)	(116,296)	(68,642)	18,111	(320,000)	(70,000)	390,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(180,322)	687,079	293,656	(826,869)	(298,618)	(114,631)	(12,882)	-
Cash and investments - ending	\$ 1,266,004	\$ 3,177,701	\$ 2,159,444	\$ 405,195	\$ 57,047	\$ 1,243,622	\$ 1,160,277	\$ 99,640

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Construction	School Lunch	Textbook Rental	Self-Insurance	Child Care Program	Educational License Plates	Alternative Education	Safe Haven 13-14/SRO Salary
Cash and investments - beginning	\$ 57,901	\$ 209,617	\$ 332,037	\$ 1,250,301	\$ (16,301)	\$ 488	\$ 25,932	\$ (20,187)
Receipts:								
Local sources	-	747,569	392,427	3,968,493	5	225	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	127,509	118,082	-	-	-	24,780	50,000
Federal sources	-	926,843	-	-	-	-	-	-
Other receipts	-	280	-	18,004	-	-	-	-
Total receipts	-	1,802,201	510,509	3,986,497	5	225	24,780	50,000
Disbursements:								
Instruction	-	-	-	-	-	-	144,222	-
Support services	-	1	403,183	4,586,897	-	777	-	-
Noninstructional services	-	1,928,738	-	-	-	-	-	-
Facilities acquisition and construction	3,771	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	3,771	1,928,739	403,183	4,586,897	-	777	144,222	-
Excess (deficiency) of receipts over disbursements	(3,771)	(126,538)	107,326	(600,400)	5	(552)	(119,442)	50,000
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	68,642	-	16,296	-	100,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	68,642	-	16,296	-	100,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,771)	(126,538)	175,968	(600,400)	16,301	(552)	(19,442)	50,000
Cash and investments - ending	\$ 54,130	\$ 83,079	\$ 508,005	\$ 649,901	\$ -	\$ (64)	\$ 6,490	\$ 29,813

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Safe Haven 2014-15 SRO	Early Intervention 13-14	Early Intervention 2015	Early Intervention 2016	State General Fund Loan	Extra- Curricular Activities	Miscellaneous Programs	Pre-School Program
Cash and investments - beginning	\$ (23,243)	\$ 5,990	\$ 15,834	\$ -	\$ (3,208)	\$ (77,504)	\$ 16,845	\$ (79)
Receipts:								
Local sources	-	-	-	-	-	2,689	-	211,072
Intermediate sources	-	-	-	-	-	-	-	-
State sources	33,028	-	-	17,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	33,028	-	-	17,000	-	2,689	-	211,072
Disbursements:								
Instruction	-	-	-	-	-	(80,782)	-	223,488
Support services	59,785	5,990	15,834	3,952	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	59,785	5,990	15,834	3,952	-	(80,782)	-	223,488
Excess (deficiency) of receipts over disbursements	(26,757)	(5,990)	(15,834)	13,048	-	83,471	-	(12,416)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,757)	(5,990)	(15,834)	13,048	-	83,471	-	(12,416)
Cash and investments - ending	\$ (50,000)	\$ -	\$ -	\$ 13,048	\$ (3,208)	\$ 5,967	\$ 16,845	\$ (12,495)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Washington DC Dekko Grant	Homebound - HP	Professional Developmental Grant	MCK Summer Reading - VOICE	Baron TV - VOICE	Joymakers Grant (S Kennedy)	Summer of e-Learning
Cash and investments - beginning	\$ -	\$ (33,398)	\$ 49,693	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	4,125	-	-	500	450	250	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	35,134	188,000	-	-	-	1,395
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>4,125</u>	<u>35,134</u>	<u>188,000</u>	<u>500</u>	<u>450</u>	<u>250</u>	<u>1,395</u>
Disbursements:							
Instruction	3,740	29,416	22,056	200	-	-	-
Support services	-	-	276,022	-	433	250	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>3,740</u>	<u>29,416</u>	<u>298,078</u>	<u>200</u>	<u>433</u>	<u>250</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>385</u>	<u>5,718</u>	<u>(110,078)</u>	<u>300</u>	<u>17</u>	<u>-</u>	<u>1,395</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>385</u>	<u>5,718</u>	<u>(110,078)</u>	<u>300</u>	<u>17</u>	<u>-</u>	<u>1,395</u>
Cash and investments - ending	<u>\$ 385</u>	<u>\$ (27,680)</u>	<u>\$ (60,385)</u>	<u>\$ 300</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 1,395</u>

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Dekko - Museum of Science trip	Dekko - MCK Playground	Dekko - Spark Training	Tech Repair Lenovo	Talent Initiative (New Tech DHS)	Other Local Grant	Formative Assessment
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 231,315	\$ (169,600)	\$ -	\$ -
Receipts:							
Local sources	3,300	50,000	2,562	(229,330)	230,500	25,000	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	33,072
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>3,300</u>	<u>50,000</u>	<u>2,562</u>	<u>(229,330)</u>	<u>230,500</u>	<u>25,000</u>	<u>33,072</u>
Disbursements:							
Instruction	-	-	1,629	-	-	-	-
Support services	-	-	-	-	-	-	3,384
Noninstructional services	-	-	-	-	-	25,000	-
Facilities acquisition and construction	-	-	-	-	60,400	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>1,629</u>	<u>-</u>	<u>60,400</u>	<u>25,000</u>	<u>3,384</u>
Excess (deficiency) of receipts over disbursements	<u>3,300</u>	<u>50,000</u>	<u>933</u>	<u>(229,330)</u>	<u>170,100</u>	<u>-</u>	<u>29,688</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,300</u>	<u>50,000</u>	<u>933</u>	<u>(229,330)</u>	<u>170,100</u>	<u>-</u>	<u>29,688</u>
Cash and investments - ending	<u>\$ 3,300</u>	<u>\$ 50,000</u>	<u>\$ 933</u>	<u>\$ 1,985</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 29,688</u>

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Non- English Speaking 2012-13	School Technology	High Ability 2012-13	High Ability 2013-14	High Ability 2015	High Ability 2016	Senator David Ford Technology
Cash and investments - beginning	\$ 157	\$ 27,477	\$ (995)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	231,964	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	43,039	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	231,964	-	-	-	43,039	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	124,334	(995)	-	-	40,810	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	124,334	(995)	-	-	40,810	-
Excess (deficiency) of receipts over disbursements	-	107,630	995	-	-	2,229	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	107,630	995	-	-	2,229	-
Cash and investments - ending	\$ 157	\$ 135,107	\$ -	\$ -	\$ -	\$ 2,229	\$ -

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Title I 2012-13	Title I 2013-14	Title I 2014-15	Title I 2015-16	Title II 2011-12	Title II 2012-13	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ 24	\$ (7,876)	\$ (82,944)	\$ -	\$ (17,711)	\$ (8,576)	\$ (45,074)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	380,908	340,070	-	-	85,212
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	380,908	340,070	-	-	85,212
Disbursements:							
Instruction	-	(7,876)	137,107	416,785	-	-	55,000
Support services	24	-	160,857	73,991	-	-	(7,069)
Noninstructional services	-	-	-	1,855	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	24	(7,876)	297,964	492,631	-	-	47,931
Excess (deficiency) of receipts over disbursements	(24)	7,876	82,944	(152,561)	-	-	37,281
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24)	7,876	82,944	(152,561)	-	-	37,281
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (152,561)	\$ (17,711)	\$ (8,576)	\$ (7,793)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER  
 FINANCING SOURCES (USES), AND CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Title II-A FFY2015 2015/16	Title II - A - 2016 / 2017	Title III	Payroll	Prepaid Food	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (1,779)	\$ 45,133	\$ 3,051	\$ 94,928	\$ 11,879,765
Receipts:							
Local sources	-	250	-	-	733,887	-	18,613,314
Intermediate sources	-	-	-	-	-	-	10
State sources	-	-	-	-	-	-	23,522,628
Federal sources	-	-	-	-	-	-	1,733,033
Other receipts	-	-	-	12,852,722	-	2,686	12,898,012
Total receipts	-	250	-	12,852,722	733,887	2,686	56,766,997
Disbursements:							
Instruction	-	-	-	-	-	-	16,952,390
Support services	19,655	8,445	(1,779)	-	-	-	18,541,159
Noninstructional services	-	-	-	-	701,959	-	3,025,300
Facilities acquisition and construction	-	-	-	-	-	-	1,080,399
Debt service	-	-	-	-	-	-	5,241,296
Nonprogrammed charges	-	-	-	12,852,386	-	191	12,852,577
Total disbursements	19,655	8,445	(1,779)	12,852,386	701,959	191	57,693,121
Excess (deficiency) of receipts over disbursements	(19,655)	(8,195)	1,779	336	31,928	2,495	(926,124)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	18,111
Transfers in	-	-	-	-	-	-	574,938
Transfers out	-	-	-	-	-	-	(574,938)
Total other financing sources (uses)	-	-	-	-	-	-	18,111
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,655)	(8,195)	1,779	336	31,928	2,495	(908,013)
Cash and investments - ending	\$ (19,655)	\$ (8,195)	\$ -	\$ 45,469	\$ 34,979	\$ 97,423	\$ 10,971,752

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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF LEASES AND DEBT  
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Auburn Plaza	Alternative school rent	\$ 32,000	8/1/2011	7/31/2018
Crossroads Bank	District vehicles	5,437	12/1/2012	9/30/2016
Crossroads Bank	District vehicles	16,578	12/1/2015	9/1/2019
Crossroads Bank	District vehicles	1,312	4/1/2016	1/1/2020
DeKalb County Central School Building Corporation	Deferred Maintenance at all School Buildings	1,300,000	6/30/2014	12/31/2023
DeKalb McKenney-Harrison School Building Corporation	Construction/Renovation at McKenney-Harrison Elementary School and Renovations at DeKalb Middle School	2,260,000	6/30/2015	6/30/2024
Mail Management	Postage machine	1,837	8/1/2016	7/31/2021
SunTrust Equipment Finance	Technology	109,000	7/1/2014	6/30/2017
US Bancorp	Technology	123,000	6/2/2016	3/2/2019
US Bank	Technology	92,000	8/15/2015	5/15/2018
Xerox	Copiers	82,000	12/21/2010	9/30/2019
Total of annual lease payments		<u>\$ 4,023,164</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	DeKalb High School New Tech Renovation and Country Meado		\$ 1,195,000	\$ 241,950
General obligation bonds	2010 Building Renovation and Equipment		2,000,000	1,150
Notes and loans payable	Common School Loan A1653 - Technology		24,667	24,852
Totals			<u>\$ 3,219,667</u>	<u>\$ 267,952</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL UNITED  
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

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

We have audited the DeKalb County Central United School District's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. 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. Except as discussed in the following paragraph, 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.

***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies***

As described in items 2016-006, 2016-007, and 2016-008 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Title I Grants to Local Educational Agencies regarding Cash Management, Reporting, and Allowable Costs/Cost Principles. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

***Qualified Opinion on Title I Grants to Local Educational Agencies***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Title I Grants to Local Educational Agencies regarding Cash Management, Reporting, and Allowable Costs/Cost Principles, described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period of July 1, 2014 to June 30, 2016.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

***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 2016-003. 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.

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

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 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, and 2016-008 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

November 27, 2017

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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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2015 and 2016

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 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Reimbursement			FY14-15	\$ -	\$ 206,652	\$ -	\$ -
School Breakfast Reimbursement			FY15-16	-	-	-	226,200
Total - School Breakfast Program				-	206,652	-	226,200
National School Lunch Program							
School Lunch Reimbursement	Indiana Department of Education	10.555					
Commodities			FY14-15	-	767,784	-	-
School Snack Reimbursement Program			FY14-15	-	126,257	-	-
School Lunch Reimbursement			FY14-15	-	13,135	-	-
Commodities			FY15-16	-	-	-	784,156
			FY15-16	-	-	-	115,840
Total - National School Lunch Program				-	907,176	-	899,996
Summer Food Service Program for Children							
School Summer Lunch	Indiana Department of Education	10.559					
School Summer Lunch			FY14-15	-	39,508	-	-
			FY15-16	-	-	-	43,995
Total - Summer Food Service Program for Children				-	39,508	-	43,995
Total - Child Nutrition Cluster				-	1,153,336	-	1,170,191
Total - Department of Agriculture				-	1,153,336	-	1,170,191
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
			14213-046-PN01	-	223	-	-
			14214-046-PN01	-	236,258	-	-
			14215-046-PN01	-	653,854	-	188,533
			99914-46-TA01	-	11,029	-	55
			14216-046-PN01	-	-	-	691,605
Total - Special Education_Grants to States				-	901,364	-	880,193
Special Education_Preschool Grants	Indiana Department of Education	84.173					
			45715-046-PN01	-	34,395	-	-
			45716-044-PN01	-	-	-	34,393
Total - Special Education_Preschool Grants				-	34,395	-	34,393
Total - Special Education Cluster (IDEA)				-	935,759	-	914,586
Title I Grants to Local Educational Agencies							
Title I Grant	Indiana Department of Education	84.010					
Title I Grant 14-15			14-1835	-	396,387	-	-
Title I Grant 15-16			15-1835	-	194,812	-	380,908
			16-1835	-	-	-	340,070
Total - Title I Grants to Local Educational Agencies				-	591,199	-	720,978
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)							
Title II Grant	Indiana Department of Education	84.367					
Title II Grant 14-15			12-1835	-	43,854	-	-
			S367A150015	-	-	-	85,212
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	43,854	-	85,212
English Language Acquisition State Grants							
2012 English Language Acquisition	Indiana Department of Education	84.365					
			01113-101-PN01	-	2,118	-	-
Total - Department of Education				-	1,572,930	-	1,720,776
Total federal awards expended				\$ -	\$ 2,726,266	\$ -	\$ 2,890,967

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. 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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	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 for Child Nutrition Cluster and Special Education Cluster (IDEA) and Qualified for Title I Grants for Local Educational Agencies
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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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 2016 - 001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-002.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for government units (Gateway), which is a financial reporting system used to compile the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). One employee prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

*Context*

The SEFA contained the following errors:

1. The Commodities for the National School Lunch Program were omitted.
2. The Summer Food Service Program for Children was omitted.
3. The Special Education Cluster (IDEA) grants were omitted.
4. The English Language Acquisition State Grants was omitted.
5. The Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) was over reported.

The net amount underreported on the SEFA for fiscal year 2014-2015 was \$1,101,899 and for fiscal year 2015-2016 was \$1,074,334.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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 § \_\_.310. . . ."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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.
- (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."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal control that would 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 remained undetected. The SEFA contained the errors identified in the *Context*.

*Recommendation*

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

*Views of Responsible Officials*

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2016 - 002**

Subject: Child Nutrition Cluster - Cash Management  
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): FY14-15, FY15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-005.

*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 Cash Management compliance requirement.

There were no controls in place to ensure that the School Lunch fund net cash resources did not exceed the three months average expenditures.

*Context*

The lack of controls was a systemic problem which occurred throughout 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation had not developed a system of internal controls that would have 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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement 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 Cash Management compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2016 -003**

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY14-15, FY15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-006.

*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 Reporting compliance requirement.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The Annual Financial Report (AFR) filed at the end of the year with the Indiana Department of Education Division of School and Community Nutrition Services did not match the School Corporations financial records. The fiscal year 2014-2015 AFR expenditures were overstated by \$3,796 and the beginning fund balance was overstated by \$66,548. Due to the beginning fund balance and expenditures being overstated, the ending fund balance was overstated by \$66,749. The fiscal year 2015-2016 AFR income was overstated by \$33,921 and the beginning fund balance was overstated by \$66,749. Due to the beginning fund balance and income being overstated, the ending fund balance was overstated by \$96,667.

*Context*

The lack of controls was a systemic problem which occurred throughout 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 3016.20(b) states in part:

". . . The financial management systems of other grantees and subgrantees must meet the following standards:

(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant. . . ."

2 CFR 200.302 states in part:

". . . (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

*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.

*Views of Responsible Officials*

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

**FINDING 2016-004**

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-046-PN01, 14214-046-PN01  
14215-046-PN01, 99914-46-TA01,  
14216-046-PN01, 45715-046-PN01,  
45716-044-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles

Audit Finding: Material Weakness

*Condition*

The School Corporation was a member of the Northeast Indiana Special Education Cooperative (Cooperative). The grant agreements for the federal programs were between the Indiana Department of Education (IDOE) and each member school of the Cooperative. The member schools of the Cooperative had determined that it was beneficial to pool their resources to provide special education services to those in need. The Cooperative designated a Fiscal Agent, who was responsible for the accounting records of the Cooperative. The Fiscal Agent of the Cooperative spent the federal money on behalf of the School Corporation and other member schools and was responsible for following the compliance requirements related to Allowable Costs/Cost Principles.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

An effective internal control system was not in place at the Cooperative in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Because the grant agreements are between the IDOE and each member of the Cooperative, each member school is ultimately responsible for ensuring compliance with the requirements. The Fiscal Agent had not implemented adequate controls to ensure that Semi-Annual Certifications prepared were properly signed by the Special Education Director.

*Context*

The Semi-Annual Certifications were not all properly signed by the Special Education Director.

*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 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

OMB Circular A-87, Attachment B, section 8(h)(3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS) . . .
  
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management of the School Corporation had not designed or implemented internal control procedures to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system allowed noncompliance with the compliance requirement and could allow 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 management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. We also recommended that the School Corporation monitor and have proper oversight of the Cooperative.

*Views of Responsible Officials*

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

**FINDING 2016-005**

Subject: Title I Grants to Local Educational Agencies - Internal Controls

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): 14-1835, 15-1835, 16-1835

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Special Tests and Provisions - Comparability, Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Finding: Material Weakness

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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: Eligibility, Special Tests and Provisions - Comparability, and Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

- (1) Eligibility: The Title I Literacy Coordinator at each Title I school prepared the Student Selection Data report (report). This report was not reviewed by the school Principal or other person with knowledge of the selection data.
- (2) Special Tests and Provisions - Comparability: The Title I Program Administrator completed the comparability reports; however, there was no evidence of an oversight, review or approval process.
- (3) Special Tests and Provisions - Annual Report Card, High School Graduation Rate: Mobility documentation was maintained for students that were mobile; however, there was no evidence of review of these documents by a supervisor.

*Context*

The lack of controls was a systemic problem which occurred throughout 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

The School Corporation had not developed a system of internal controls that would have segregated key functions.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
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 program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls 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 2016-006**

Subject: Title I Grants to Local Educational Agencies - Cash Management

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): 14-1835, 15-1835, 16-1835

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Modified Opinion - Scope Limitation

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-003.

*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 Cash Management compliance requirement.

Financial records for Title I Grants to Local Educational Agencies funds included journal entries reclassifying expenditures from other funds. The detail of expenditures for these journal entries was not available for testing; therefore, the amounts requested for reimbursement could not be completely substantiated.

*Context*

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to: . . . .

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

*Cause*

The School Corporation had not established effective internal control processes and procedures to ensure that reimbursement request vouchers were approved and supporting documentation for the amount requested was available for audit.

*Effect*

The failure to maintain and make available for audit appropriate supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that supporting documentation was maintained and made available for audit relating to the grant agreement and the Cash Management compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2016-007**

Subject: Title I Grants to Local Educational Agencies - 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): 14-1835, 15-1835, 16-1835  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Modified Opinion - Scope Limitation

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-003.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 Reporting compliance requirement.

Reimbursement reports filed with the Indiana Department of Education were not supported by the School Corporation's records; therefore, the amounts requested for reimbursement could not be completely substantiated.

The Final Expenditure Reports presented for audit were supported by the School Corporation's records; however, there was no evidence of review by a responsible official.

The requests for reimbursement for fiscal year 2014-2015 and fiscal year 2015-2016 were all presented for audit and all showed evidence of review; however, the review did not prevent the lack of adequate supporting documentation of the amount requested.

*Context*

The lack of substantial detail of transactions was a systemic issue throughout 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to: . . . ."

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

*Cause*

The School Corporation had not developed an effective system of internal controls to ensure that supporting documentation of reimbursement requests were maintained and made available for audit.

*Effect*

The failure to maintain and make available for audit supporting documentation of reimbursement requests prevented the determination of the School Corporation's compliance with the grant agreement and the compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that supporting documentation is maintained and made available for audit related to the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2016-008***

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles  
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): 14-1835, 15-1835, 16-1835  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Modified Opinion - Scope Limitation

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-003.

*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 Allowable Costs/Cost Principles compliance requirement.

Time and effort reporting and Semi-Annual Certifications were not prepared for all employees who were paid either partially or solely from Title I funds. In addition, the time and effort reporting and Semi-Annual Certifications that were prepared were not consistently signed by the employee's supervisor.

Additionally, the financial records for Title I funds included journal entries reclassifying expenditures from other funds. The detail of expenses for some of these journal entries was not available for testing; therefore, the time and effort reporting and Semi-Annual Certifications could not be completely substantiated.

*Context*

The lack of time and effort reporting and Semi-Annual Certifications preparation and supervisor signatures was a systemic issue 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. . . ."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

OMB A-87 Attachment B, section 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
  - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
  - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
  - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances. . . ."

2 CFR 200.430(i) states in part:

*"Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:*

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS) . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states: "Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year. Employees who work on multiple activities must maintain a time and effort log at least once a month."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to: . . .

- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

*Cause*

Management had not developed a system of internal controls to ensure that time and effort reporting and Semi-Annual Certifications were prepared and signed by supervisors for all employees.

*Effect*

The failure to establish an effective internal control system enabled the School Corporation to be in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

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



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2014-001**

Fiscal years in which the finding initially occurred: July 1, 2012 – June 30, 2014

Contact Person Responsible for Corrective Action: Steve Snider

Contact Phone Number: 260-920-1011

Description of Corrective Action Plan:

1. Lack of Segregation of Duties – the district will establish segregation of duties by dividing all processes between at least two people.
2. Monitoring of Controls – where possible, controls are divided in New World. Other controls will be established to ensure proper safeguarding of processes, data and assets.
3. The form 9 misstatement as of June 30, 2014 has already been corrected as of the December 31, 2014 form 9 submission. New bank reconciliation processes and verification reports are being established.

Status of Audit Finding: Additional controls and segregation of duties were put into place. Deposits and Bank Reconciliations now have at least two people involved in the process, resulting in no more significant adjustments to our form 9 reported balances after December 31, 2014.

**FINDING 2014-002**

Fiscal years in which the finding initially occurred: July 1, 2012 – June 30, 2014

Contact Person Responsible for Corrective Action: Steve Snider

Contact Phone Number: 260-920-1011

Description of Corrective Action Plan: An additional verification by someone other than the preparer will be added to the SEFA reporting process.

Status of Audit Finding: The CFO is the preparer of the SEFA and other Annual Financial Report data. The corporation will identify a second source to verify the accuracy of the information before submission.

**FINDING 2014-003**

Fiscal years in which the finding initially occurred: July 1, 2012 – June 30, 2014

Pass Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Steve Snider

Contact Phone Number: 260-920-1011

Description of Corrective Action Plan: An additional verification by someone other than the preparer will be added to the Title I reporting process.

Status of Audit Finding: An additional verification is in place other than the preparer, however, the process for detailing reclass entries is being strengthened and further supported.



**FINDING 2014-004**

Fiscal years in which the finding initially occurred: July 1, 2012 – June 30, 2014  
Pass Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Steve Snider  
Contact Phone Number: 260-920-1011

Description of Corrective Action Plan: An additional verification by someone other than the preparer will be added to the Title I reporting process.

Status of Audit Finding: Additional verifications have been put into place for Title I to identify any reporting issues.

**FINDING 2014-005**

Fiscal years in which the finding initially occurred: July 1, 2012 – June 30, 2014  
Pass Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Steve Snider  
Contact Phone Number: 260-920-1011

Description of Corrective Action Plan: Where possible, controls are divided in New World. Other controls will be established to ensure proper safeguarding of processes, data and assets.

Status of Audit Finding: Additional controls were put in place, however, an additional step will be added to review the Food Service monthly cash balance is less than three months of average expenses.

**FINDING 2014-006**

Fiscal years in which the finding initially occurred: July 1, 2012 – June 30, 2014  
Pass Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Steve Snider  
Contact Phone Number: 260-920-1011

Description of Corrective Action Plan: Many improvements to the Food Service funding have already occurred and been reviewed by SBOA auditors. The financial report and Form SA5 will be prepared by the Food Service Director and reviewed by the CFO.

Status of Audit Finding: Ongoing development will occur related to this non-compliance. The rollover of a beginning balance make it difficult to correct the current errors. We will work with the state to identify a method to correct this ongoing error.

  
\_\_\_\_\_  
Stephen W. Snider  
Chief Financial Officer

11/20/17  
\_\_\_\_\_  
Date



## CORRECTIVE ACTION PLAN

### **FINDING 2016-001**

Contact Person Responsible for Corrective Action: Steve Snider, CFO  
Contact Phone Number: 260-920-1011  
Views of Responsible Official: We concur with the finding

#### Description of Corrective Action Plan:

The CFO currently completes the Annual Financial Report, which includes the SEFA. An additional party will review the AFR, along with a copy of prior audit findings (to be aware of past problems) prior to submission. The CFO will contact state officials to determine what can be done regarding the submitted 2016-17 AFR.

Anticipated Completion Date: August 2018

### **FINDING 2016-002**

Pass Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Steve Snider, CFO & Ashlee Baron, Food Service Director  
Contact Phone Number: 260-920-1011  
Views of Responsible Official: We concur with the finding

#### Description of Corrective Action Plan:

There are controls in place for reconciling the bank account, but we will place a simple sign-off procedure in place to assure the cash balance is less than three months of average expenses.

Anticipated Completion Date: December 2017

### **FINDING 2016-003**

Pass Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Steve Snider, CFO & Ashlee Baron, Food Service Director  
Contact Phone Number: 260-920-1011  
Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Ongoing development will occur related to this non-compliance. The rollover of a beginning balance make it difficult to correct the current AFR errors. We will work with the state to identify a method to correct this ongoing error.

Anticipated Completion Date: August 2018



**FINDING 2016-004**

Pass Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Steve Snider, CFO & Lori Vaughn, Asst Sup

Contact Phone Number: 260-920-1011

Views of Responsible Official: We concur with the finding, but disagree that each member school should be assessed a finding as this is the responsibility of the LEA

Description of Corrective Action Plan: We will require DeKalb Eastern, as the LEA for NorthEast Indiana Special Education Cooperative, to complete and send copies of proper semi-annual certifications.

Anticipated Completion Date: June 2018

**FINDING 2016-005**

Pass Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Steve Snider, CFO & Lori Vaughn, Asst Sup

Contact Phone Number: 260-920-1011

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Establish additional procedures to have segregation of duties where an additional source is reviewing things such as student selection data, comparability reports, mobility documentation and the like.

Anticipated Completion Date: March 2018

**FINDING 2016-006**

Pass Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Steve Snider, CFO

Contact Phone Number: 260-920-1011

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: A grant secretary was added after June 2016 and now strengthening our records, in addition to compiling detail for any reclass journal entries.

Anticipated Completion Date: December 2017

**FINDING 2016-007**

Pass Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Steve Snider, CFO

Contact Phone Number: 260-920-1011

Views of Responsible Official: We concur with the finding



# DeKalb County Central United School District

www.dekalbcentral.net

3326 CR-427, Waterloo, IN 46793  
p 260-920-1011 f 260-837-7767

**Steven E. Tedera, Ed.S., Superintendent**  
**Loraine K. Vaughn, Ed.S., Assistant Superintendent**  
**Steve Snider, Chief Financial Officer**  
**Wendy Pettis, Director of Human Resources**

**Description of Corrective Action Plan:** A grant secretary was added after June 2016 and now strengthening our records, in addition to compiling detail for any reclass journal entries.

**Anticipated Completion Date:** December 2017

### **FINDING 2016-008**

**Pass Through Entity:** Indiana Department of Education

**Contact Person Responsible for Corrective Action:** Steve Snider, CFO & Lori Vaughn, Asst Sup

**Contact Phone Number:** 260-920-1011

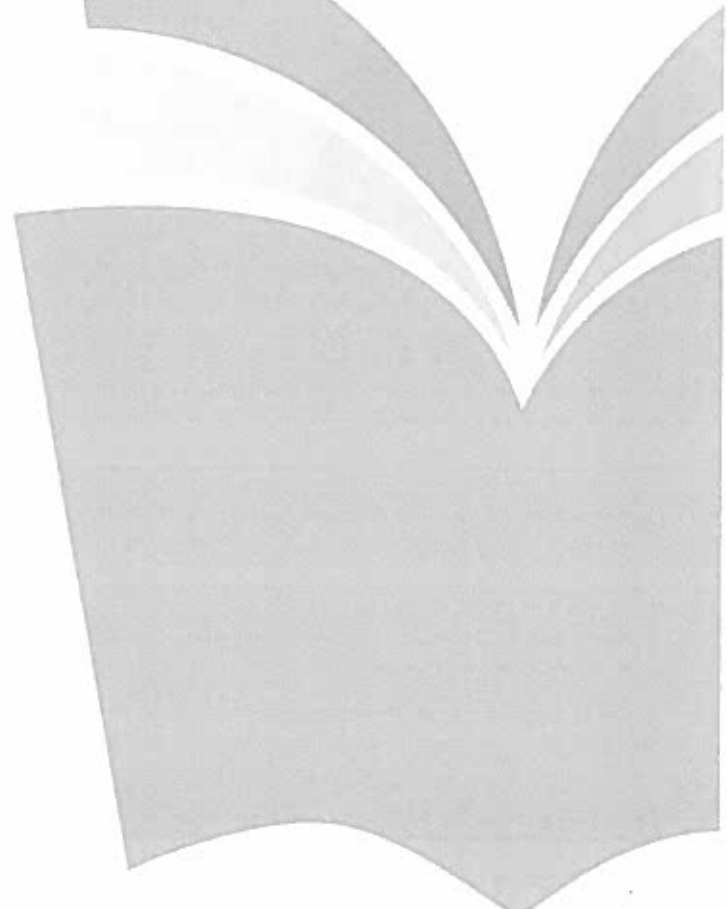
**Views of Responsible Official:** We concur with the finding

**Description of Corrective Action Plan:** The grant administrator will work with all Title I personnel to assure Time & Effort Logs and Semi-Annual Certifications are completed.

**Anticipated Completion Date:** June 2018

Stephen W. Snider  
Chief Financial Officer

11/20/17  
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/>.