

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SEYMOUR COMMUNITY SCHOOL CORPORATION
JACKSON COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
01/18/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Steve Nauman (Vacant)	07-01-15 to 10-31-18 11-01-18 to 12-31-18
Superintendent of Schools	Robert D. Hooker	07-01-15 to 12-31-18
President of School Board	Art Juergens	07-01-15 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SEYMOUR COMMUNITY SCHOOL
CORPORATION, JACKSON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Seymour Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

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, 2015 to June 30, 2017, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2018, 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 solely 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 effectiveness of the School Corporation's 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

December 6, 2018



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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 SEYMOUR COMMUNITY SCHOOL
CORPORATION, JACKSON 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 Seymour Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 6, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Seymour Community School Corporation'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

December 6, 2018

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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.

SEYMOUR COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 4,285,434	\$ 30,251,126	\$ 31,222,173	\$ (689,184)	\$ 2,625,203	\$ 31,095,753	\$ 32,103,949	\$ 111,710	\$ 1,728,717
Debt Service	1,772,074	3,993,445	4,136,805	-	1,628,714	4,173,858	4,235,349	90,691	1,657,914
Retirement/Severance Bond Debt Service	144,803	347,002	311,677	-	180,128	296,129	306,210	-	170,047
Capital Projects	6,658,849	3,944,498	4,441,116	435	6,162,666	4,117,932	5,699,846	-	4,580,752
School Transportation	17,709	1,496,923	1,507,151	-	7,481	1,695,750	1,656,799	-	46,432
School Bus Replacement	340,083	384,192	206,132	-	518,143	395,107	359,175	-	554,075
Rainy Day	4,400,000	83,864	-	700,000	5,183,864	-	66,959	(111,710)	5,005,195
Construction	4,013,096	-	2,539,806	2,031,457	3,504,747	-	3,053,858	(90,691)	360,198
School Lunch	568,802	2,402,592	2,481,413	-	489,981	2,313,309	2,379,818	-	423,472
Textbook Rental	203,603	386,364	472,799	-	117,168	434,560	108,167	-	443,561
Self-Insurance	236,913	5,460,986	5,645,686	-	52,213	5,722,586	5,724,006	-	50,793
Levy Excess	5,830	-	-	(5,830)	-	-	-	-	-
Educational License Plates	2,418	225	-	-	2,643	225	-	-	2,868
Alternative Education	3,291	18,720	3,291	-	18,720	20,419	39,139	-	-
SAFE School Haven	-	-	-	-	-	16,344	13,125	(3,219)	-
Early Intervention Grant	-	-	-	-	-	23,617	6,616	-	17,001
Lilly Grant	-	-	-	-	-	30,000	25,705	-	4,295
Instructional Support	2,512	-	-	-	2,512	-	-	-	2,512
Pepsi BLDG Allocation	500	-	-	-	500	-	-	-	500
Pepsi Corp Allocation	43,289	20,500	39,506	9,292	33,575	20,500	22,656	-	31,419
Community Foundation Grants	591	300	285	-	606	487	-	-	1,093
Summer	-	61,138	55,287	(649)	5,202	10,000	15,076	-	126
Down Syndrome Grant	538	-	-	-	538	-	-	-	538
Brown Vectren Donation	150	-	-	-	150	-	-	-	150
River Valley Bank Donation	67	147	-	-	214	201	-	-	415
Building Grants & Donations	42,585	21,632	25,388	-	38,829	12,803	34,329	-	17,303
Preschool School Grant	6,443	40,000	41,979	-	4,464	-	4,464	-	-
Extra-Curricular Activities	-	11,787	11,787	-	-	23,287	15,575	(7,712)	-
Cultural Arts	4,181	-	-	-	4,181	-	-	-	4,181
M R Brown Fund	25,636	-	1,300	369	24,705	-	1,428	-	23,277
James Emily Scholarship	2,000	-	-	-	2,000	-	1,000	-	1,000
Seymour HS Scholarship Fund	320	1,000	500	-	820	-	500	-	320
G.B. Burkhart Scholarship Fund	112,330	56,458	103,998	-	64,790	108,480	144,966	90,966	119,270
Maurice & May Spray Scholarship	1,000	2,000	2,000	-	1,000	-	(500)	-	1,500
Ameriflex Reimbursements	-	-	-	-	-	-	28,746	23,745	5,001
Formative Assessment	-	-	-	-	-	61,145	61,145	-	-

SEYMOUR COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Instruction Support	28,888	43,363	45,688	-	26,563	-	26,563	-	-
High Ability	-	-	-	-	-	69,142	33,798	(24,867)	10,477
Secured Schools Safety Grant	-	50,000	41,357	(8,643)	-	150,000	100,000	(50,000)	-
2008-2009 Non English Speaking	14,744	-	14,744	-	-	-	-	-	-
2015-16 Non-English Speaking	-	100,940	60,484	-	40,456	-	40,456	-	-
2016-17 Non-English Speaking	-	-	-	-	-	130,748	47,007	(5,168)	78,573
School Technology	73,654	421,331	494,986	-	(1)	501,767	479,925	-	21,841
Career and Technical Performance Grant	-	-	-	-	-	25,907	17,599	-	8,308
School Farm	311,205	63,273	79,400	8,500	303,578	76,287	39,225	-	340,640
Senator David Ford Technology	(5,001)	12,968	7,967	-	-	-	-	-	-
Title I, 2014-15	(49,929)	161,398	111,469	-	-	-	-	-	-
Title I, 2015-16	-	583,510	649,147	-	(65,637)	147,067	81,430	-	-
Title I, 2016-17	-	-	-	-	-	569,289	609,746	-	(40,457)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2014-15	(110,832)	229,124	118,292	-	-	-	-	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2015-16	-	880,381	952,419	-	(72,038)	184,767	112,729	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2016-17	-	-	-	-	-	774,531	883,936	-	(109,405)
FY 16 Preschool - Part B 619	-	49,480	54,910	-	(5,430)	12,604	7,174	-	-
FY 17 Preschool - Part B 619	-	-	-	-	-	33,073	33,073	-	-
IU - Hands In Autism Grant	(13,333)	35,208	39,375	-	(17,500)	74,375	56,875	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	(897)	83,195	82,298	-	-	-	-	-	-
2014-16 Title II, Part A Grant	-	32,172	49,763	-	(17,591)	104,644	87,053	-	-
2015-17 Title II, Part A Grant	-	1,268	1,618	-	(350)	102,012	101,812	-	(150)
2016-18 Title II, Part A Grant	-	-	-	-	-	17,710	18,644	-	(934)
2014-2016 Title III Grant	(3,728)	47,098	43,370	-	-	7,432	7,432	-	-
2015-2017 Title III Grant	-	918	25,918	-	(25,000)	43,257	19,532	-	(1,275)
2016-2018 Title III Grant	-	-	-	-	-	10,146	10,146	-	-
2013-2015 Title III	(2,196)	20,997	18,801	-	-	-	-	-	-
Payroll	-	6,727,374	6,727,374	-	-	7,029,483	7,029,483	-	-
Totals	<u>\$ 23,137,622</u>	<u>\$ 58,528,897</u>	<u>\$ 62,869,459</u>	<u>\$ 2,045,747</u>	<u>\$ 20,842,807</u>	<u>\$ 60,665,479</u>	<u>\$ 65,946,743</u>	<u>\$ -</u>	<u>\$ 15,561,543</u>

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

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts. 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.

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other Financing Sources and Uses

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

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

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

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

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

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants for which the disbursements were not reimbursed by June 30, 2016 and 2017.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Seymour 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 years 2016 and 2017 totaled \$1,977,500 and \$1,975,500, respectively.

Note 9. Other Postemployment Benefits

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

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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 Indiana Gateway for Government Units 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.

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 4,285,434	\$ 1,772,074	\$ 144,803	\$ 6,658,849	\$ 17,709	\$ 340,083	\$ 4,400,000	\$ 4,013,096	\$ 568,802
Receipts:									
Local sources	103,401	3,993,445	347,002	3,929,852	1,494,667	384,192	83,864	-	737,851
Intermediate sources	37	-	-	-	-	-	-	-	-
State sources	30,137,497	-	-	-	-	-	-	-	20,185
Federal sources	-	-	-	-	-	-	-	-	1,639,874
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	10,191	-	-	14,646	2,256	-	-	-	4,682
Total receipts	<u>30,251,126</u>	<u>3,993,445</u>	<u>347,002</u>	<u>3,944,498</u>	<u>1,496,923</u>	<u>384,192</u>	<u>83,864</u>	<u>-</u>	<u>2,402,592</u>
Disbursements:									
Instruction	21,642,051	-	-	-	-	-	-	-	-
Support services	9,059,392	-	-	2,734,122	1,507,151	206,132	-	-	-
Noninstructional services	520,730	-	-	-	-	-	-	-	2,363,297
Facilities acquisition and construction	-	-	-	1,706,994	-	-	-	2,539,806	118,116
Debt service	-	4,136,805	311,677	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>31,222,173</u>	<u>4,136,805</u>	<u>311,677</u>	<u>4,441,116</u>	<u>1,507,151</u>	<u>206,132</u>	<u>-</u>	<u>2,539,806</u>	<u>2,481,413</u>
Excess (deficiency) of receipts over disbursements	<u>(971,047)</u>	<u>(143,360)</u>	<u>35,325</u>	<u>(496,618)</u>	<u>(10,228)</u>	<u>178,060</u>	<u>83,864</u>	<u>(2,539,806)</u>	<u>(78,821)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	435	-	-	-	2,031,457	-
Sale of capital assets	4,986	-	-	-	-	-	-	-	-
Transfers in	5,830	-	-	-	-	-	700,000	-	-
Transfers out	(700,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(689,184)</u>	<u>-</u>	<u>-</u>	<u>435</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>2,031,457</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,660,231)</u>	<u>(143,360)</u>	<u>35,325</u>	<u>(496,183)</u>	<u>(10,228)</u>	<u>178,060</u>	<u>783,864</u>	<u>(508,349)</u>	<u>(78,821)</u>
Cash and investments - ending	<u>\$ 2,625,203</u>	<u>\$ 1,628,714</u>	<u>\$ 180,128</u>	<u>\$ 6,162,666</u>	<u>\$ 7,481</u>	<u>\$ 518,143</u>	<u>\$ 5,183,864</u>	<u>\$ 3,504,747</u>	<u>\$ 489,981</u>

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant	Lilly Grant
Cash and investments - beginning	\$ 203,603	\$ 236,913	\$ 5,830	\$ 2,418	\$ 3,291	\$ -	\$ -	\$ -
Receipts:								
Local sources	185,259	5,448,642	-	-	-	-	-	-
Intermediate sources	-	-	-	225	-	-	-	-
State sources	195,503	-	-	-	18,720	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	5,602	12,344	-	-	-	-	-	-
Total receipts	386,364	5,460,986	-	225	18,720	-	-	-
Disbursements:								
Instruction	-	-	-	-	3,291	-	-	-
Support services	472,799	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,645,686	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	472,799	5,645,686	-	-	3,291	-	-	-
Excess (deficiency) of receipts over disbursements	(86,435)	(184,700)	-	225	15,429	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	40,938	70,662	-	-	-	-	-	-
Transfers out	(40,938)	(70,662)	(5,830)	-	-	-	-	-
Total other financing sources (uses)	-	-	(5,830)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(86,435)	(184,700)	(5,830)	225	15,429	-	-	-
Cash and investments - ending	\$ 117,168	\$ 52,213	\$ -	\$ 2,643	\$ 18,720	\$ -	\$ -	\$ -

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Instructional Support	Pepsi BLDG Allocation	Pepsi Corp Allocation	Community Foundation Grants	Summer	Down Syndrome Grant	Brown Vectren Donation	River Valley Bank Donation
Cash and investments - beginning	\$ 2,512	\$ 500	\$ 43,289	\$ 591	\$ -	\$ 538	\$ 150	\$ 67
Receipts:								
Local sources	-	-	20,500	300	61,000	-	-	147
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	138	-	-	-
Total receipts	-	-	20,500	300	61,138	-	-	147
Disbursements:								
Instruction	-	-	-	285	52,191	-	-	-
Support services	-	-	39,506	-	3,096	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	39,506	285	55,287	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(19,006)	15	5,851	-	-	147
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	9,292	-	-	-	-	-
Transfers out	-	-	-	-	(649)	-	-	-
Total other financing sources (uses)	-	-	9,292	-	(649)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(9,714)	15	5,202	-	-	147
Cash and investments - ending	\$ 2,512	\$ 500	\$ 33,575	\$ 606	\$ 5,202	\$ 538	\$ 150	\$ 214

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Building Grants & Donations	Preschool School Grant	Extra- Curricular Activities	Cultural Arts	M R Brown Fund	James Emily Scholarship	Seymour HS Scholarship Fund	G.B. Burkhart Scholarship Fund
Cash and investments - beginning	\$ 42,585	\$ 6,443	\$ -	\$ 4,181	\$ 25,636	\$ 2,000	\$ 320	\$ 112,330
Receipts:								
Local sources	21,632	40,000	11,787	-	-	-	1,000	56,458
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	21,632	40,000	11,787	-	-	-	1,000	56,458
Disbursements:								
Instruction	24,567	41,979	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	821	-	11,787	-	1,300	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	500	51,250
Interfund loans	-	-	-	-	-	-	-	52,748
Total disbursements	25,388	41,979	11,787	-	1,300	-	500	103,998
Excess (deficiency) of receipts over disbursements	(3,756)	(1,979)	-	-	(1,300)	-	500	(47,540)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	369	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	369	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,756)	(1,979)	-	-	(931)	-	500	(47,540)
Cash and investments - ending	\$ 38,829	\$ 4,464	\$ -	\$ 4,181	\$ 24,705	\$ 2,000	\$ 820	\$ 64,790

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Maurice & May Spray Scholarship	Ameriflex Reimbursements	Formative Assessment	Instruction Support	High Ability	Secured Schools Safety Grant	2008-2009 Non English Speaking	2015-16 Non-English Speaking
Cash and investments - beginning	\$ 1,000	\$ -	\$ -	\$ 28,888	\$ -	\$ -	\$ 14,744	\$ -
Receipts:								
Local sources	2,000	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	43,363	-	-	-	100,940
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	50,000	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,000	-	-	43,363	-	50,000	-	100,940
Disbursements:								
Instruction	-	-	-	45,688	-	-	12,744	60,484
Support services	-	-	-	-	-	41,357	-	-
Noninstructional services	-	-	-	-	-	-	2,000	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,000	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	2,000	-	-	45,688	-	41,357	14,744	60,484
Excess (deficiency) of receipts over disbursements	-	-	-	(2,325)	-	8,643	(14,744)	40,456
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	50,000	-	-
Transfers out	-	-	-	-	-	(58,643)	-	-
Total other financing sources (uses)	-	-	-	-	-	(8,643)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(2,325)	-	-	(14,744)	40,456
Cash and investments - ending	\$ 1,000	\$ -	\$ -	\$ 26,563	\$ -	\$ -	\$ -	\$ 40,456

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	2016-17 Non-English Speaking	School Technology	Career and Technical Performance Grant	School Farm	Senator David Ford Technology	Title I 2014-15	Title I 2015-16	Title I 2016-17
Cash and investments - beginning	\$ -	\$ 73,654	\$ -	\$ 311,205	\$ (5,001)	\$ (49,929)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	63,273	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	1,701	-	-	12,968	-	-	-
Federal sources	-	-	-	-	-	161,398	583,510	-
Temporary loans	-	410,100	-	-	-	-	-	-
Interfund loans	-	2,748	-	-	-	-	-	-
Other receipts	-	6,782	-	-	-	-	-	-
Total receipts	-	421,331	-	63,273	12,968	161,398	583,510	-
Disbursements:								
Instruction	-	-	-	71,448	-	36,609	353,813	-
Support services	-	19,929	-	4,952	7,967	60,603	226,016	-
Noninstructional services	-	-	-	-	-	14,257	69,318	-
Facilities acquisition and construction	-	475,057	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	3,000	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	494,986	-	79,400	7,967	111,469	649,147	-
Excess (deficiency) of receipts over disbursements	-	(73,655)	-	(16,127)	5,001	49,929	(65,637)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	8,500	-	-	-	-
Transfers in	-	-	-	161,599	-	-	-	-
Transfers out	-	-	-	(161,599)	-	-	-	-
Total other financing sources (uses)	-	-	-	8,500	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(73,655)	-	(7,627)	5,001	49,929	(65,637)	-
Cash and investments - ending	\$ -	\$ (1)	\$ -	\$ 303,578	\$ -	\$ -	\$ (65,637)	\$ -

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
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For the Year Ended June 30, 2016

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2014-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2015-16	(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2016-17	FY 16 Preschool Part B 619	FY 17 Preschool Part B 619	IU - Hands In Autism Grant	Improving Teacher Quality, No Child Left, Title II, Part A	2014-16 Title II, Part A Grant
Cash and investments - beginning	\$ (110,832)	\$ -	\$ -	\$ -	\$ -	\$ (13,333)	\$ (897)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	229,124	880,381	-	49,480	-	35,208	83,195	32,172
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	229,124	880,381	-	49,480	-	35,208	83,195	32,172
Disbursements:								
Instruction	111,077	841,488	-	54,910	-	39,375	80,830	35,527
Support services	7,215	110,931	-	-	-	-	1,468	14,236
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	118,292	952,419	-	54,910	-	39,375	82,298	49,763
Excess (deficiency) of receipts over disbursements	110,832	(72,038)	-	(5,430)	-	(4,167)	897	(17,591)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	110,832	(72,038)	-	(5,430)	-	(4,167)	897	(17,591)
Cash and investments - ending	\$ -	\$ (72,038)	\$ -	\$ (5,430)	\$ -	\$ (17,500)	\$ -	\$ (17,591)

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
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	2015-17 Title II, Part A Grant	2016-18 Title II, Part A Grant	2014-2016 Title III Grant	2015-2017 Title III Grant	2016-2018 Title III Grant	2013-2015 Title III	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (3,728)	\$ -	\$ -	\$ (2,196)	\$ -	\$ 23,137,622
Receipts:								
Local sources	-	-	-	-	-	-	-	16,986,272
Intermediate sources	-	-	-	-	-	-	-	262
State sources	-	-	-	-	-	-	-	30,530,877
Federal sources	1,268	-	47,098	918	-	20,997	-	3,764,623
Temporary loans	-	-	-	-	-	-	-	410,100
Interfund loans	-	-	-	-	-	-	-	52,748
Other receipts	-	-	-	-	-	-	6,727,374	6,784,015
Total receipts	1,268	-	47,098	918	-	20,997	6,727,374	58,528,897
Disbursements:								
Instruction	1,324	-	36,102	25,918	-	10,557	-	23,582,258
Support services	294	-	7,268	-	-	8,244	-	14,532,678
Noninstructional services	-	-	-	-	-	-	-	2,983,510
Facilities acquisition and construction	-	-	-	-	-	-	-	4,839,973
Debt service	-	-	-	-	-	-	-	4,448,482
Nonprogrammed charges	-	-	-	-	-	-	6,727,374	12,429,810
Interfund loans	-	-	-	-	-	-	-	52,748
Total disbursements	1,618	-	43,370	25,918	-	18,801	6,727,374	62,869,459
Excess (deficiency) of receipts over disbursements	(350)	-	3,728	(25,000)	-	2,196	-	(4,340,562)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	2,031,892
Sale of capital assets	-	-	-	-	-	-	-	13,855
Transfers in	-	-	-	-	-	-	-	1,038,321
Transfers out	-	-	-	-	-	-	-	(1,038,321)
Total other financing sources (uses)	-	-	-	-	-	-	-	2,045,747
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(350)	-	3,728	(25,000)	-	2,196	-	(2,294,815)
Cash and investments - ending	\$ (350)	\$ -	\$ -	\$ (25,000)	\$ -	\$ -	\$ -	\$ 20,842,807

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 2,625,203	\$ 1,628,714	\$ 180,128	\$ 6,162,666	\$ 7,481	\$ 518,143	\$ 5,183,864	\$ 3,504,747	\$ 489,981
Receipts:									
Local sources	66,341	4,173,858	296,129	4,107,520	1,614,980	395,107	-	-	616,184
Intermediate sources	62	-	-	-	-	-	-	-	-
State sources	31,020,228	-	-	-	-	-	-	-	19,260
Federal sources	-	-	-	-	-	-	-	-	1,670,447
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	74,925	-	-	-	-
Other receipts	9,122	-	-	10,412	5,845	-	-	-	7,418
Total receipts	31,095,753	4,173,858	296,129	4,117,932	1,695,750	395,107	-	-	2,313,309
Disbursements:									
Instruction	22,426,233	-	-	-	-	-	66,959	-	-
Support services	9,071,603	-	-	3,283,761	1,581,874	359,175	-	-	-
Noninstructional services	606,113	-	-	-	-	-	-	-	2,336,493
Facilities acquisition and construction	-	-	-	2,416,085	-	-	-	3,053,858	43,325
Debt service	-	4,235,349	306,210	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	74,925	-	-	-	-
Total disbursements	32,103,949	4,235,349	306,210	5,699,846	1,656,799	359,175	66,959	3,053,858	2,379,818
Excess (deficiency) of receipts over disbursements	(1,008,196)	(61,491)	(10,081)	(1,581,914)	38,951	35,932	(66,959)	(3,053,858)	(66,509)
Other financing sources (uses):									
Transfers in	111,710	90,691	-	-	-	74,925	-	-	-
Transfers out	-	-	-	-	-	(74,925)	(111,710)	(90,691)	-
Total other financing sources (uses)	111,710	90,691	-	-	-	-	(111,710)	(90,691)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(896,486)	29,200	(10,081)	(1,581,914)	38,951	35,932	(178,669)	(3,144,549)	(66,509)
Cash and investments - ending	\$ 1,728,717	\$ 1,657,914	\$ 170,047	\$ 4,580,752	\$ 46,432	\$ 554,075	\$ 5,005,195	\$ 360,198	\$ 423,472

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant	Lilly Grant
Cash and investments - beginning	\$ 117,168	\$ 52,213	\$ -	\$ 2,643	\$ 18,720	\$ -	\$ -	\$ -
Receipts:								
Local sources	239,814	5,480,841	-	-	-	-	-	30,000
Intermediate sources	-	-	-	225	-	-	-	-
State sources	194,746	-	-	-	20,419	13,125	23,617	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	233,372	-	-	-	3,219	-	-
Other receipts	-	8,373	-	-	-	-	-	-
Total receipts	434,560	5,722,586	-	225	20,419	16,344	23,617	30,000
Disbursements:								
Instruction	-	-	-	-	39,139	-	-	-
Support services	108,167	3,136	-	-	-	13,125	6,616	25,705
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,487,498	-	-	-	-	-	-
Interfund loans	-	233,372	-	-	-	-	-	-
Total disbursements	108,167	5,724,006	-	-	39,139	13,125	6,616	25,705
Excess (deficiency) of receipts over disbursements	326,393	(1,420)	-	225	(18,720)	3,219	17,001	4,295
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(3,219)	-	-
Total other financing sources (uses)	-	-	-	-	-	(3,219)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	326,393	(1,420)	-	225	(18,720)	-	17,001	4,295
Cash and investments - ending	\$ 443,561	\$ 50,793	\$ -	\$ 2,868	\$ -	\$ -	\$ 17,001	\$ 4,295

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Instructional Support	Pepsi BLDG Allocation	Pepsi Corp Allocation	Community Foundation Grants	Summer	Down Syndrome Grant	Brown Vectren Donation	River Valley Bank Donation
Cash and investments - beginning	\$ 2,512	\$ 500	\$ 33,575	\$ 606	\$ 5,202	\$ 538	\$ 150	\$ 214
Receipts:								
Local sources	-	-	20,500	487	10,000	-	-	201
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	20,500	487	10,000	-	-	201
Disbursements:								
Instruction	-	-	-	-	15,076	-	-	-
Support services	-	-	12,762	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	9,894	-	-	-	-	-
Total disbursements	-	-	22,656	-	15,076	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(2,156)	487	(5,076)	-	-	201
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,156)	487	(5,076)	-	-	201
Cash and investments - ending	\$ 2,512	\$ 500	\$ 31,419	\$ 1,093	\$ 126	\$ 538	\$ 150	\$ 415

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Building Grants & Donations	Preschool School Grant	Extra- Curricular Activities	Cultural Arts	M R Brown Fund	James Emily Scholarship	Seymour HS Scholarship Fund	G.B. Burkhart Scholarship Fund
Cash and investments - beginning	\$ 38,829	\$ 4,464	\$ -	\$ 4,181	\$ 24,705	\$ 2,000	\$ 820	\$ 64,790
Receipts:								
Local sources	12,803	-	5,681	-	-	-	-	55,732
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	17,606	-	-	-	-	52,748
Other receipts	-	-	-	-	-	-	-	-
Total receipts	12,803	-	23,287	-	-	-	-	108,480
Disbursements:								
Instruction	29,907	4,464	-	-	-	-	-	-
Support services	250	-	-	-	-	-	-	-
Noninstructional services	47	-	15,575	-	1,428	-	-	-
Facilities acquisition and construction	4,125	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,000	500	54,000
Interfund loans	-	-	-	-	-	-	-	90,966
Total disbursements	34,329	4,464	15,575	-	1,428	1,000	500	144,966
Excess (deficiency) of receipts over disbursements	(21,526)	(4,464)	7,712	-	(1,428)	(1,000)	(500)	(36,486)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	90,966
Transfers out	-	-	(7,712)	-	-	-	-	-
Total other financing sources (uses)	-	-	(7,712)	-	-	-	-	90,966
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,526)	(4,464)	-	-	(1,428)	(1,000)	(500)	54,480
Cash and investments - ending	\$ 17,303	\$ -	\$ -	\$ 4,181	\$ 23,277	\$ 1,000	\$ 320	\$ 119,270

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Maurice & May Spray Scholarship	Ameriflex Reimbursements	Formative Assessment	Instruction Support	High Ability	Secured Schools Safety Grant	2008-2009 Non English Speaking	2015-16 Non-English Speaking
Cash and investments - beginning	\$ 1,000	\$ -	\$ -	\$ 26,563	\$ -	\$ -	\$ -	\$ 40,456
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	61,145	-	44,275	100,000	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	24,867	50,000	-	-
Other receipts	-	28,746	-	-	-	-	-	-
Total receipts	-	28,746	61,145	-	69,142	150,000	-	-
Disbursements:								
Instruction	-	-	-	26,563	33,798	-	-	40,456
Support services	-	23,745	61,145	-	-	50,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	(500)	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	50,000	-	-
Total disbursements	(500)	23,745	61,145	26,563	33,798	100,000	-	40,456
Excess (deficiency) of receipts over disbursements	500	5,001	-	(26,563)	35,344	50,000	-	(40,456)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(24,867)	(50,000)	-	-
Total other financing sources (uses)	-	-	-	-	(24,867)	(50,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	500	5,001	-	(26,563)	10,477	-	-	(40,456)
Cash and investments - ending	\$ 1,500	\$ 5,001	\$ -	\$ -	\$ 10,477	\$ -	\$ -	\$ -

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	2016-17 Non-English Speaking	School Technology	Career and Technical Performance Grant	School Farm	Senator David Ford Technology	Title I 2014-15	Title I 2015-16	Title I 2016-17
Cash and investments - beginning	\$ -	\$ (1)	\$ -	\$ 303,578	\$ -	\$ -	\$ (65,637)	\$ -
Receipts:								
Local sources	-	37,512	-	76,287	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	125,580	-	3,088	-	-	-	-	-
Federal sources	-	-	22,819	-	-	-	147,067	569,289
Temporary loans	-	455,900	-	-	-	-	-	-
Interfund loans	5,168	-	-	-	-	-	-	-
Other receipts	-	8,355	-	-	-	-	-	-
Total receipts	130,748	501,767	25,907	76,287	-	-	147,067	569,289
Disbursements:								
Instruction	47,007	-	17,599	33,596	-	-	31,938	325,951
Support services	-	32,903	-	4,629	-	-	42,099	281,256
Noninstructional services	-	-	-	-	-	-	7,393	2,539
Facilities acquisition and construction	-	444,274	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,000	-	-	-	-
Interfund loans	-	2,748	-	-	-	-	-	-
Total disbursements	47,007	479,925	17,599	39,225	-	-	81,430	609,746
Excess (deficiency) of receipts over disbursements	83,741	21,842	8,308	37,062	-	-	65,637	(40,457)
Other financing sources (uses):								
Transfers in	-	-	-	233,372	-	-	-	-
Transfers out	(5,168)	-	-	(233,372)	-	-	-	-
Total other financing sources (uses)	(5,168)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	78,573	21,842	8,308	37,062	-	-	65,637	(40,457)
Cash and investments - ending	\$ 78,573	\$ 21,841	\$ 8,308	\$ 340,640	\$ -	\$ -	\$ -	\$ (40,457)

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2014-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2015-16	(IDEA, Part B) LEA Capacity Building (Sliver) Grants 2016-17	FY 16 Preschool Part B 619	FY 17 Preschool Part B 619	IU - Hands In Autism Grant	Improving Teacher Quality, No Child Left, Title II, Part A	2014-16 Title II, Part A Grant
Cash and investments - beginning	\$ -	\$ (72,038)	\$ -	\$ (5,430)	\$ -	\$ (17,500)	\$ -	\$ (17,591)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	184,767	774,531	12,604	33,073	74,375	-	104,644
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	184,767	774,531	12,604	33,073	74,375	-	104,644
Disbursements:								
Instruction	-	111,499	771,713	7,174	33,073	56,875	-	81,894
Support services	-	1,230	112,223	-	-	-	-	5,159
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	112,729	883,936	7,174	33,073	56,875	-	87,053
Excess (deficiency) of receipts over disbursements	-	72,038	(109,405)	5,430	-	17,500	-	17,591
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	72,038	(109,405)	5,430	-	17,500	-	17,591
Cash and investments - ending	\$ -	\$ -	\$ (109,405)	\$ -	\$ -	\$ -	\$ -	\$ -

SEYMOUR COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	2015-17 Title II, Part A Grant	2016-18 Title II, Part A Grant	2014-2016 Title III Grant	2015-2017 Title III Grant	2016-2018 Title III Grant	2013-2015 Title III	Payroll	Totals
Cash and investments - beginning	\$ (350)	\$ -	\$ -	\$ (25,000)	\$ -	\$ -	\$ -	\$ 20,842,807
Receipts:								
Local sources	-	-	-	-	-	-	-	17,239,977
Intermediate sources	-	-	-	-	-	-	-	287
State sources	-	-	-	-	-	-	-	31,625,483
Federal sources	102,012	17,710	7,432	43,257	10,146	-	-	3,774,173
Temporary loans	-	-	-	-	-	-	-	455,900
Interfund loans	-	-	-	-	-	-	-	461,905
Other receipts	-	-	-	-	-	-	7,029,483	7,107,754
Total receipts	102,012	17,710	7,432	43,257	10,146	-	7,029,483	60,665,479
Disbursements:								
Instruction	74,659	6,708	-	11,876	10,146	-	-	24,304,303
Support services	27,153	11,936	7,432	7,656	-	-	-	15,134,740
Noninstructional services	-	-	-	-	-	-	-	2,969,588
Facilities acquisition and construction	-	-	-	-	-	-	-	5,961,667
Debt service	-	-	-	-	-	-	-	4,541,559
Nonprogrammed charges	-	-	-	-	-	-	7,029,483	12,572,981
Interfund loans	-	-	-	-	-	-	-	461,905
Total disbursements	101,812	18,644	7,432	19,532	10,146	-	7,029,483	65,946,743
Excess (deficiency) of receipts over disbursements	200	(934)	-	23,725	-	-	-	(5,281,264)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	601,664
Transfers out	-	-	-	-	-	-	-	(601,664)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	200	(934)	-	23,725	-	-	-	(5,281,264)
Cash and investments - ending	\$ (150)	\$ (934)	\$ -	\$ (1,275)	\$ -	\$ -	\$ -	\$ 15,561,543

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SEYMOUR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 521,582</u>	<u>\$ 152,224</u>

SEYMOUR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Seymour Elementary School Building Corporation	Build Jackson & Redding Elementary Schools	\$ 1,973,500	8/1/2010	1/15/2024
Total of annual lease payments		<u>\$ 1,973,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Qualified School Construction Bonds - ARRA of 2009	\$ 2,807,000	\$ 1,697,242
General obligation bonds	Retirement & Severance	1,920,000	305,491
Notes and loans payable	Common School Technology Loans	1,106,810	264,173
Notes and loans payable	Holding Corporations - Private & Public	<u>11,355,000</u>	<u>1,973,500</u>
Total governmental activities		<u>17,188,810</u>	<u>4,240,406</u>
Totals		<u>\$ 17,188,810</u>	<u>\$ 4,240,406</u>

SEYMOUR COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2017

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

	Ending Balance
Governmental activities:	
Land	\$ 189,400
Infrastructure	2,000,000
Buildings	61,352,424
Improvements other than buildings	13,585,219
Machinery, equipment, and vehicles	6,793,640
Construction in progress	307,030
Books and other	<u>850,000</u>
Total governmental activities	<u>85,077,713</u>
Total capital assets	<u>\$ 85,077,713</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 SEYMOUR COMMUNITY SCHOOL
CORPORATION, JACKSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Seymour Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017.

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

Report on Internal Control over Compliance


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002, that we consider to be a material weakness.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 6, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

SEYMOUR COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			3675	\$ -	\$ 312,709	\$ -	\$ 335,622
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			3675	-	1,275,219	-	1,269,882
National School Lunch Program - Commodities			3675	-	149,628	-	197,801
Total - National School Lunch Program				-	1,424,847	-	1,467,683
Special Milk Program for Children	Indiana Department of Education	10.556					
Kindergarten Milk Program			3675	-	1,217	-	160
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children			3675	-	44,869	-	44,783
Total - Child Nutrition Cluster				-	1,783,642	-	1,848,248
Child Nutrition Discretionary Grants Limited Availability 2015 National School Lunch Equipment Grant	Indiana Department of Education	10.579	A58-6-16SS-0099	-	5,860	-	20,000
Total - Department of Agriculture				-	1,789,502	-	1,868,248
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Special Education			14215-98-PN01	-	229,124	-	-
Special Education			14216-91-PN01	-	-	-	184,767
Special Education			14216-98-PN01	-	880,381	-	-
Special Education			14217-91-PN01	-	-	-	774,531
Total - Special Education_Grants to States				-	1,109,505	-	959,298
Special Education_Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool			45715-98-PN01	-	30,611	-	-
Special Education Preschool			45716-91-PN01	-	18,869	-	12,604
Special Education Preschool			45717-91-PN01	-	-	-	33,073
Total - Special Education_Preschool Grants				-	49,480	-	45,677
Total - Special Education Cluster (IDEA)				-	1,158,985	-	1,004,975

SEYMOUR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			14-3675	-	161,398	-	-
Title I			15-3675	-	583,510	-	147,067
Title I			16-3675	-	-	-	569,289
Total - Title I Grants to Local Educational Agencies				-	744,908	-	716,356
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III			01114-076-PN01	-	20,997	-	-
Title III			01115-034-PN01	-	47,098	-	7,432
Title III			01116-034-PN01	-	918	-	43,257
Title III			01117-033-PN01	-	-	-	10,146
Total - English Language Acquisition State Grants				-	69,013	-	60,835
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			S367A160013	-	83,195	-	17,710
Title II Part A			S367A140014	-	32,172	-	104,644
Title II Part A			S367A150015	-	1,268	-	102,012
Total - Supporting Effective Instruction State Grants				-	116,635	-	224,366
Total - Department of Education				-	2,089,541	-	2,006,532
Total federal awards expended				\$ -	\$ 3,879,043	\$ -	\$ 3,874,780

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

SEYMOUR COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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 the Uniform Guidance, 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. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SEYMOUR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

FINDING 2017-001

Subject: Internal Control over Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-001 from the immediately prior audit.

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to the collection and recording of the School Corporation receipts.

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

Context

The Accounts Payable Clerk (AP Clerk) wrote and posted receipts and also prepared deposits for the School Corporation collections. The AP Clerk ran edit reports of the receipts and the Treasurer would review the receipts and verify they agreed with the deposit. However, there was no documentation retained to verify that this control procedure had been performed.

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. . . ."

Cause

Management had not established a proper system of internal control that would have ensured proper reporting of receipts.

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting of receipts.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate
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): 14-3675, 15-3675, 16-3675
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-009 from the immediately prior report.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation had not established effective internal controls to ensure that a student withdrawn from the cohort was properly reviewed. The School Corporation used withdrawal forms for the students who were removed from a given cohort, but the control to verify that documentation was signed by the respective guardian, or by an administrator of the School Corporation, was not effective.

Context

The lack of effective internal controls 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. . . ."

SEYMOUR COMMUNITY SCHOOL CORPORATION
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). . . ."

Cause

The School Corporation had not developed a system of internal controls that would have segregated key functions related to the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Subject: Internal Controls over Financial Transactions and Reporting

Audit Finding: Material Weakness

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Seymour Community Schools will correct the deficiencies in the internal control system related to financial transactions and reporting. The Business Office will separate incompatible activities related to the collection and recording of Corporation receipts.

The Accounts Payable Clerk (AP Clerk) will write and post receipts and also make up deposits for the School Corporation collections. The AP Clerk will run edit reports of the receipts, and the Treasurer or Deputy Treasurer will review the receipts and verify they agree with the deposits. Documentation will be retained to verify that this control procedure has been completed. This documentation will support the expectation of segregation of duties.

Status of Audit Finding: Completed July 1, 2017

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Finding: The Finding is a Material Weakness and Material Noncompliance

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Seymour Community Schools has implemented a proper system of internal controls to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer will prepare the SEFA, and the Deputy Treasurer will review all information to show evidence that indicates there was oversight, review, approval or other compensating controls in place to verify the accuracy of the information and amounts.

Status of Audit Finding: Completed July 1, 2016

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003

Audit Finding: This Finding is a Material Weakness

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Management of Seymour Community Schools has now established an effective internal control system related to the grant agreement and the compliance requirements for Reporting.

The Food Service Director will be responsible for the preparation and submission of the National School Lunch Program Annual Financial Reports and the Sponsor Claim Summary Reports. The Assistant to the Food Service Director will review and sign the reports to show evidence that the Annual Financial Reports and the Sponsor Claim Summary Reports were reviewed to ensure the accuracy and completeness of those reports by someone other than the preparer.

Status of Audit Finding: Completed July 1, 2017

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-004

Audit Finding: This Finding is a Material Weakness

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The management of Seymour Community Schools has established an effective internal control system related to the grant agreement and the compliance requirements for Reporting.

The Corporation Treasurer will be responsible for the preparation and submission of the Final Financial Reports. The Deputy Treasurer will review and verify to show evidence that the Final Financial Reports were reviewed to ensure the accuracy and completeness of those reports by someone other than the preparer. This process will demonstrate internal controls to ensure compliance with the grant agreement and compliance requirements.

Status of Audit Finding: Completed July 1, 2016

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-005

Audit Finding: This Finding is a Material Weakness and a Compliance Deficiency which caused an Opinion Modifications.

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Seymour Community Schools has established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirements.

Where employees are expected to work solely on a single Federal award or cost objective, charges or 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 semiannually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee."

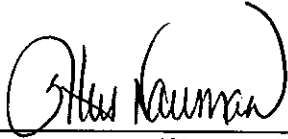
Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets that standards in subsection (5) unless a statistical sampling system or other substitute system have been 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.

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
- (d) They must be signed by the employee.

Status of Audit Finding: Completed July 1, 2015



(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-006

Audit Finding: This Finding is a Material Weakness and a Control Deficiency which caused an Opinion Modification.

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Seymour Community Schools has established an effective internal control system related to the grant agreement and the requirements for Eligibility.

The Title I Director prepares and submits the grant application and the Superintendent certifies the application. Controls are in place to ensure that information entered on the grant application is accurately completed. Evidence will be presented for audit to support enrollment and poverty figures of the non-public schools entered in the eligible school's summary in the grant application.

The Management of the School Corporation will follow the policies and procedures that were developed and implemented to ensure that the School Corporation complied with the grant agreement and the compliance requirements for Eligibility.

Status of Audit Finding: Completed July 1, 2015

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-007

Audit Finding: This Finding is a Material Weakness

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Management of Seymour Community Schools has established an effective internal control system related to the grant agreement and the requirements for Reporting.

The Corporation Treasurer is responsible for the preparation and submission of the Annual Expenditure Reports. The Deputy Treasurer will review the reports to show evidence for audit that the Annual Expenditure Reports were reviewed to ensure the accuracy and completeness of those reports by someone other than the preparer.

This will demonstrate controls exist to support the compliance requirements for Reporting pertaining to all Annual Expenditure Reports submitted.

Status of Audit Finding: Completed July 1, 2016

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-008

Audit Finding: This Finding is a Material Weakness and a Compliance Deficiency which caused an Opinion Modification.

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Management of the School Corporation has established an effective internal control system related to the grant agreement and the requirements for Special Tests and Provisions – Comparability.

The School Corporation has designed and implemented adequate policies and procedures to ensure comparability reports are being completed and submitted to DOE when required.

Management will maintain supporting documentation of internal control procedures to verify Seymour Community Schools is compliant with the requirements for Special Tests and Provisions – Comparability.

Status of Audit Finding: Completed July 1, 2015

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-009

Audit Finding: This Finding is a Material Weakness and a Compliance Deficiency which caused an Opinion Modifications.

Contact Person Responsible for Corrective Action: Steve Nauman, Treasurer
Contact Phone Number: (812) 522-3340

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Management of the School Corporation has established an effective internal control system related to the grant agreement and the Special Tests and Provisions – Annual Report Card, High School Graduation Rate compliance requirements.

For students who were removed from the graduation cohort, proper supporting documentation will be maintained. The School Corporation will provide official written documentation that the student enrolled in another school when possible

This evidence will help ensure that Seymour Community Schools has complied with the Special Tests and Provisions – Annual Report Card, High School Graduation Rate.

Status of Audit Finding: Completed July 1, 2017

(Signature)

Business Manager / Treasurer

(Title)

October 31, 2018

(Date)



CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

Finding 2017-001

Subject: Internal Controls over Financial Transactions and Reporting

Audit Findings: Material Weaknesses

Contact Person Responsible for Corrective Action: Mr. Steve Nauman, Treasurer
Contact Phone Number: 812-522-3340

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Seymour Community Schools will correct the deficiencies in the internal control system related to documentation retention that will verify the necessary control procedures upon completion.

The Accounts Payable Clerk (AP Clerk) will write and post receipts and also make up deposits for the School Corporation Collections. The AP Clerk will run edit reports of the receipts, and the Treasurer *and* Deputy Treasurer will review and verify their agreements with the deposits. Documentation will be created and retained to verify that this control feature has been completed. This will support the expectation of segregation of duties.

Anticipated Completion Date: December 6, 2018

Section III – Federal Award Findings and Questioned Costs

Finding 2017-002

Subject: Title 1 Grants to Local Educational Agencies – Special Tests and Provisions – Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education
Federal Program: Title 1 Grants to Local Education Agencies

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CFDA Number: 84.010

Federal Award Numbers and Years: FY 14-15, FY 15-16, FY 16-17

Pass Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions – Annual Report Card, High School Graduation Rate

Audit Findings: Material Weaknesses

Contact Person Responsible for Corrective Action: Mr. Steve Nauman, Treasurer

Contact Phone Number: 812-522-3340

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Seymour Community Schools will establish an effective and compliant internal control process and system related to the grant agreements and the Special Tests and Provisions – Annual Report Card, High School Graduation Rate compliance requirements and verification necessary to support accurate reporting of students who have exited Seymour High School.

The School Corporation will require that the Seymour High School Administration and Guidance Department provide official written documentation as evidence of student enrollments, student transfers, suspensions, expulsions, exit conferences, and student enrollment in other school corporations, the work place, and/or military service.

The Guidance Director will create the necessary documentation necessary for the recording and reporting necessary for compliance. The documentation will be reviewed by the High School Principal to verify their agreement with the reports being completed.

Anticipated Completion Date: December 06, 2018

Robert D. Hooker

Superintendent of Schools

December 06, 2018

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OTHER REPORTS

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