

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TAYLOR COMMUNITY SCHOOL CORPORATION
HOWARD COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
03/27/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	21-36
Schedule of Payables and Receivables	37
Schedule of Leases and Debt	38
Schedule of Capital Assets.....	39
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	42-43
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	46-47
Notes to Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49
Auditee-Prepared Document:	
Summary Schedule of Prior Audit Findings.....	52-53
Other Reports.....	54

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Deborah Barton	07-01-16 to 06-30-19
Superintendent of Schools	Christopher Smith	07-01-16 to 06-30-19
President of the School Board	Dennis Marler	01-01-16 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TAYLOR COMMUNITY SCHOOL
CORPORATION, HOWARD COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Taylor Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, 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, 2016 to June 30, 2018.

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, 2016 to June 30, 2018, 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 February 26, 2019, 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

February 26, 2019



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 TAYLOR COMMUNITY SCHOOL
CORPORATION, HOWARD 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 Taylor Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February 26, 2019, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

February 26, 2019

(This page intentionally left blank.)

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.

TAYLOR COMMUNITY SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 899,160	\$ 8,538,904	\$ 8,034,075	\$ 198	\$ 1,404,187	\$ 8,954,959	\$ 8,196,372	\$ (100,000)	\$ 2,062,774
Debt Service	580,095	2,243,288	2,118,328	-	705,055	2,012,047	2,206,022	-	511,080
Retirement/Severance Bond Debt Service	1,998	66,235	90,036	21,803	-	-	-	-	-
Capital Projects	73,008	837,512	407,323	(154,000)	349,197	999,543	781,964	(42,000)	524,776
School Transportation	72,552	772,339	833,535	154,000	165,356	869,784	884,809	42,000	192,331
School Bus Replacement	26,232	70,167	-	-	96,399	86,677	113,670	-	69,406
Rainy Day	28,498	-	-	(21,803)	6,695	-	-	100,000	106,695
Post-Retirement/Severance Future Benefits	123,133	-	50,412	-	72,721	-	27,460	-	45,261
Construction	362	11,988	12,456	-	(106)	-	(106)	-	-
Construction GO Bonds 2016	-	21,506	444,125	1,262,908	840,289	2,840	86,090	-	757,039
Construction Solar Project	-	-	-	-	-	334,463	301,790	-	32,673
School Lunch	72,261	596,370	595,681	-	72,950	621,484	576,020	-	118,414
Textbook Rental	(158,624)	210,430	400,073	-	(348,267)	202,878	233,757	-	(379,146)
Levy Excess	35	-	-	-	35	-	-	-	35
Educational License Plates	7,415	56	-	-	7,471	56	-	-	7,527
Donations for C.O. Use	600	-	600	-	-	1,350	251	-	1,099
Donations for Tech Ed	-	1,100	-	-	1,100	100	1,200	-	-
Summer Food Program Donations	161	-	79	-	82	-	-	-	82
Community Service Learning Day	350	4,091	4,441	-	-	3,613	3,613	-	-
Donation for Digital Design	-	-	-	-	-	250	-	-	250
NIPSCO Energy Safe Kids	-	-	-	-	-	180	30	-	150
Walmart Media Class Grant	601	-	14	-	587	-	309	-	278
Preschool Parent Payment	44,979	26,290	21,453	-	49,816	17,175	29,107	-	37,884
Rainbow Gold At Both Ends - THS	300	-	-	-	300	-	300	-	-
Techpoint Foundation Stem Grant	-	937	473	-	464	500	964	-	-
Plato Credit Recovery	562	1,500	562	-	1,500	2,050	1,641	-	1,909
Recreational Activities	-	18,815	19,715	-	(900)	5,222	4,322	-	-
Mary Wooldridge Scholarship	436	500	500	-	436	500	500	-	436
E. Karavitis English Scholarship	6	1,000	1,000	-	6	1,000	1,000	-	6
Taylor Scholarship Fund	2,032	9,719	8,700	-	3,051	9,217	9,100	-	3,168
Savannah Gragg Scholarship	2,518	55	-	-	2,573	500	-	-	3,073
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	2,000	-	-	2,000
Titans of Taylor	-	690	690	-	-	-	-	-	-
Professional Development	-	1,500	1,500	-	-	-	-	-	-

TAYLOR COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
Formative Assessment	183	15,049	26,031	-	(10,799)	14,955	28,072	-	(23,916)
Special Education Excess Costs	-	29,862	29,862	-	-	5,214	5,214	-	-
High Ability Grant 2015-2016	8,490	-	8,490	-	-	-	-	-	-
High Ability Grant 2016-2017	-	29,351	25,233	-	4,118	-	4,118	-	-
High Ability Grant 2017-2018	-	-	-	-	-	29,465	26,464	-	3,001
Instruction Support	646	276	5	-	917	84	-	-	1,001
Instructional Support	-	-	-	-	-	-	-	-	-
PVE Class Target Grant	(35)	35	-	-	-	-	-	-	-
Education Technology SPR 2016	-	120,100	120,100	-	-	-	-	-	-
Education Technology 2017	-	-	-	-	-	120,746	120,746	-	-
Common School Loan Fall 2017	-	-	-	-	-	118,263	118,216	-	47
Secured Schools Safety Grant	(50,000)	50,000	-	-	-	-	-	-	-
Welfare Activities	-	-	-	-	-	2,632	157	-	2,475
Non-English Speaking Programs	-	1,068	1,068	-	-	1,250	1,150	-	100
School Technology	1,163	6,308	4,404	-	3,067	7,770	6,308	-	4,529
Technology Grants [IC 20-40-15]	-	1,721	4,207	6,552	4,066	888	12,160	8,550	1,344
Career and Technical Performance Grant	-	3,516	3,516	-	-	2,665	-	-	2,665
Performance Based Awards	-	-	-	-	-	37,795	37,795	-	-
Senator David Ford Technology	-	-	-	-	-	-	6,446	-	(6,446)
Title I 2016-2017	-	218,928	221,479	-	(2,551)	17,320	14,769	-	-
Title I School Improvement	-	-	6,125	-	(6,125)	38,387	32,262	-	-
Title I 2017-2018	-	-	-	-	-	206,634	214,857	-	(8,223)
Title I School Improvement	-	-	-	-	-	31,777	33,392	-	(1,615)
Title I 2015-2016	(6,678)	33,857	27,179	-	-	-	-	-	-
Special Ed Private Obligation	28	-	2,926	-	(2,898)	7,122	4,252	-	(28)
Special Ed Set Aside Funds	-	23,876	22,436	-	1,440	16,274	17,714	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	(1,670)	40,681	39,943	-	(932)	46,196	47,691	-	(2,427)
Prepaid Food	3,794	200,446	202,026	-	2,214	191,574	189,158	-	4,630
Agency Funds	62,593	2,058,987	2,047,275	-	74,305	1,949,685	1,936,984	-	87,006
Totals	<u>\$ 1,797,184</u>	<u>\$ 16,269,053</u>	<u>\$ 15,838,076</u>	<u>\$ 1,269,658</u>	<u>\$ 3,497,819</u>	<u>\$ 16,975,084</u>	<u>\$ 16,318,110</u>	<u>\$ 8,550</u>	<u>\$ 4,163,343</u>

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

TAYLOR 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.

TAYLOR 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.

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

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

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Textbooks are purchased in one year, while payments for them are received over four years, resulting in the Textbook Rental fund carrying a negative balance. Negative balances in reimbursable grant funds are a result of reimbursements for expenditures not being received by June 30, 2017 and 2018, respectively.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into a capital lease with Taylor 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 2017 and 2018 totaled \$1,808,484 and \$1,816,596, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides health insurance 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.

Note 10. *Subsequent Event*

On December 27, 2018, the School Corporation closed on a capital lease with the Taylor 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. The first lease payment is due on July 15, 2025, the final lease payment is scheduled for January 15, 2033, and the average annual lease payments are \$1,441,625.

(This page intentionally left blank.)

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.

(This page intentionally left blank.)

TAYLOR 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	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 899,160	\$ 580,095	\$ 1,998	\$ 73,008	\$ 72,552	\$ 26,232	\$ 28,498	\$ 123,133
Receipts:								
Local sources	82,330	2,242,966	66,235	664,705	561,009	70,167	-	-
Intermediate sources	31	-	-	-	-	-	-	-
State sources	8,448,244	322	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	159,868	210,571	-	-	-
Other receipts	8,299	-	-	12,939	759	-	-	-
Total receipts	8,538,904	2,243,288	66,235	837,512	772,339	70,167	-	-
Disbursements:								
Instruction	4,927,459	-	-	-	-	-	-	42,202
Support services	2,993,426	-	-	277,655	633,372	-	-	8,210
Noninstructional services	113,190	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	8,970	1,435	-	-	-
Debt service	-	2,118,328	90,036	120,698	198,728	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	8,034,075	2,118,328	90,036	407,323	833,535	-	-	50,412
Excess (deficiency) of receipts over disbursements	504,829	124,960	(23,801)	430,189	(61,196)	70,167	-	(50,412)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	198	-	-	-	-	-	-	-
Transfers in	-	-	21,803	-	154,000	-	-	-
Transfers out	-	-	-	(154,000)	-	-	(21,803)	-
Total other financing sources (uses)	198	-	21,803	(154,000)	154,000	-	(21,803)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	505,027	124,960	(1,998)	276,189	92,804	70,167	(21,803)	(50,412)
Cash and investments - ending	\$ 1,404,187	\$ 705,055	\$ -	\$ 349,197	\$ 165,356	\$ 96,399	\$ 6,695	\$ 72,721

TAYLOR 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

	Construction	Construction GO Bonds 2016	Construction Solar Project	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Donations for C.O. Use
Cash and investments - beginning	\$ 362	\$ -	\$ -	\$ 72,261	\$ (158,624)	\$ 35	\$ 7,415	\$ 600
Receipts:								
Local sources	11,988	-	-	210,902	156,389	-	-	-
Intermediate sources	-	-	-	-	-	-	56	-
State sources	-	-	-	4,029	51,584	-	-	-
Federal sources	-	-	-	370,870	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	21,506	-	10,569	2,457	-	-	-
Total receipts	11,988	21,506	-	596,370	210,430	-	56	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	231,409	-	217	400,073	-	-	600
Noninstructional services	-	-	-	547,327	-	-	-	-
Facilities acquisition and construction	12,456	211,016	-	-	-	-	-	-
Debt service	-	1,700	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	48,137	-	-	-	-
Total disbursements	12,456	444,125	-	595,681	400,073	-	-	600
Excess (deficiency) of receipts over disbursements	(468)	(422,619)	-	689	(189,643)	-	56	(600)
Other financing sources (uses):								
Proceeds of long-term debt	-	1,262,908	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	1,262,908	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(468)	840,289	-	689	(189,643)	-	56	(600)
Cash and investments - ending	\$ (106)	\$ 840,289	\$ -	\$ 72,950	\$ (348,267)	\$ 35	\$ 7,471	\$ -

TAYLOR 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

	Donations for Tech Ed	Summer Food Program Donations	Community Service Learning Day	Donation for Digital Design	NIPSCO Energy Safe Kids	Walmart Media Class Grant	Preschool Parent Payment	Rainbow Gold At Both Ends - THS
Cash and investments - beginning	\$ -	\$ 161	\$ 350	\$ -	\$ -	\$ 601	\$ 44,979	\$ 300
Receipts:								
Local sources	1,100	-	1,200	-	-	-	26,290	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	2,891	-	-	-	-	-
Total receipts	1,100	-	4,091	-	-	-	26,290	-
Disbursements:								
Instruction	-	-	-	-	-	14	21,453	-
Support services	-	-	4,441	-	-	-	-	-
Noninstructional services	-	79	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	79	4,441	-	-	14	21,453	-
Excess (deficiency) of receipts over disbursements	1,100	(79)	(350)	-	-	(14)	4,837	-
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	1,100	(79)	(350)	-	-	(14)	4,837	-
Cash and investments - ending	\$ 1,100	\$ 82	\$ -	\$ -	\$ -	\$ 587	\$ 49,816	\$ 300

TAYLOR 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

	Techpoint Foundation Stem Grant	Plato Credit Recovery	Recreational Activities	Mary Wooldridge Scholarship	E. Karavitis English Scholarship	Taylor Scholarship Fund	Savannah Gragg Scholarship	Construction, Remodeling, and Equipping Buildings
Cash and investments - beginning	\$ -	\$ 562	\$ -	\$ 436	\$ 6	\$ 2,032	\$ 2,518	\$ -
Receipts:								
Local sources	-	-	-	500	1,000	9,719	55	-
Intermediate sources	937	-	18,815	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	1,500	-	-	-	-	-	-
Total receipts	937	1,500	18,815	500	1,000	9,719	55	-
Disbursements:								
Instruction	473	562	2,000	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	17,715	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	500	1,000	8,700	-	-
Total disbursements	473	562	19,715	500	1,000	8,700	-	-
Excess (deficiency) of receipts over disbursements	464	938	(900)	-	-	1,019	55	-
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	464	938	(900)	-	-	1,019	55	-
Cash and investments - ending	\$ 464	\$ 1,500	\$ (900)	\$ 436	\$ 6	\$ 3,051	\$ 2,573	\$ -

TAYLOR 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

	Titans of Taylor	Professional Development	Formative Assessment	Special Education Excess Costs	High Ability Grant 2015-2016	High Ability Grant 2016-2017	High Ability Grant 2017-2018	Instruction Support
Cash and investments - beginning	\$ -	\$ -	\$ 183	\$ -	\$ 8,490	\$ -	\$ -	\$ 646
Receipts:								
Local sources	65	1,500	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	15,049	26,070	-	29,351	-	-
Federal sources	-	-	-	3,792	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	625	-	-	-	-	-	-	276
Total receipts	690	1,500	15,049	29,862	-	29,351	-	276
Disbursements:								
Instruction	-	-	26,031	29,862	8,490	25,233	-	-
Support services	-	1,500	-	-	-	-	-	5
Noninstructional services	690	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	690	1,500	26,031	29,862	8,490	25,233	-	5
Excess (deficiency) of receipts over disbursements	-	-	(10,982)	-	(8,490)	4,118	-	271
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	-	-	(10,982)	-	(8,490)	4,118	-	271
Cash and investments - ending	\$ -	\$ -	\$ (10,799)	\$ -	\$ -	\$ 4,118	\$ -	\$ 917

TAYLOR 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	PVE Class Target Grant	Education Technology SPR 2016	Education Technology 2017	Common School Loan Fall 2017	Secured Schools Safety Grant	Welfare Activities	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ (35)	\$ -	\$ -	\$ -	\$ (50,000)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	120,100	-	-	50,000	-	1,068
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	35	-	-	-	-	-	-
Total receipts	-	35	120,100	-	-	50,000	-	1,068
Disbursements:								
Instruction	-	-	-	-	-	-	-	1,068
Support services	-	-	120,100	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	120,100	-	-	-	-	1,068
Excess (deficiency) of receipts over disbursements	-	35	-	-	-	50,000	-	-
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	-	35	-	-	-	50,000	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TAYLOR 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

	School Technology	Technology Grants [IC 20-40-15]	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	Title I 2016-2017	Title I School Improvement	Title I 2017-2018
Cash and investments - beginning	\$ 1,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	6,308	-	3,516	-	-	-	-	-
Federal sources	-	-	-	-	-	218,928	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	1,721	-	-	-	-	-	-
Total receipts	6,308	1,721	3,516	-	-	218,928	-	-
Disbursements:								
Instruction	-	-	3,516	-	-	155,476	6,125	-
Support services	4,404	-	-	-	-	66,003	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	4,207	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	4,404	4,207	3,516	-	-	221,479	6,125	-
Excess (deficiency) of receipts over disbursements	1,904	(2,486)	-	-	-	(2,551)	(6,125)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	6,552	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	6,552	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,904	4,066	-	-	-	(2,551)	(6,125)	-
Cash and investments - ending	\$ 3,067	\$ 4,066	\$ -	\$ -	\$ -	\$ (2,551)	\$ (6,125)	\$ -

TAYLOR 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

	Title I School Improvement	Title I 2015-2016	Special Ed Private Obligation	Special Ed Set Aside Funds	Improving Teacher Quality, No Child Left, Title II, Part A	Prepaid Food	Agency Funds	Totals
Cash and investments - beginning	\$ -	\$ (6,678)	\$ 28	\$ -	\$ (1,670)	\$ 3,794	\$ 62,593	\$ 1,797,184
Receipts:								
Local sources	-	-	-	23,876	-	-	-	4,131,996
Intermediate sources	-	-	-	-	-	-	-	19,839
State sources	-	-	-	-	-	-	-	8,755,641
Federal sources	-	33,857	-	-	40,681	-	-	668,128
Temporary loans	-	-	-	-	-	-	-	370,439
Other receipts	-	-	-	-	-	200,446	2,058,987	2,323,010
Total receipts	-	33,857	-	23,876	40,681	200,446	2,058,987	16,269,053
Disbursements:								
Instruction	-	13,832	2,820	22,436	39,943	-	-	5,328,995
Support services	-	13,108	106	-	-	-	-	4,754,629
Noninstructional services	-	239	-	-	-	-	-	661,525
Facilities acquisition and construction	-	-	-	-	-	-	-	255,799
Debt service	-	-	-	-	-	-	-	2,529,490
Nonprogrammed charges	-	-	-	-	-	202,026	2,047,275	2,307,638
Total disbursements	-	27,179	2,926	22,436	39,943	202,026	2,047,275	15,838,076
Excess (deficiency) of receipts over disbursements	-	6,678	(2,926)	1,440	738	(1,580)	11,712	430,977
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	1,262,908
Sale of capital assets	-	-	-	-	-	-	-	6,750
Transfers in	-	-	-	-	-	-	-	175,803
Transfers out	-	-	-	-	-	-	-	(175,803)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,269,658
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,678	(2,926)	1,440	738	(1,580)	11,712	1,700,635
Cash and investments - ending	\$ -	\$ -	\$ (2,898)	\$ 1,440	\$ (932)	\$ 2,214	\$ 74,305	\$ 3,497,819

TAYLOR 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, 2018

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 1,404,187	\$ 705,055	\$ -	\$ 349,197	\$ 165,356	\$ 96,399	\$ 6,695	\$ 72,721
Receipts:								
Local sources	80,065	2,012,047	-	839,317	673,878	86,677	-	-
Intermediate sources	31	-	-	-	-	-	-	-
State sources	8,872,617	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	158,269	195,426	-	-	-
Other receipts	2,246	-	-	1,957	480	-	-	-
Total receipts	8,954,959	2,012,047	-	999,543	869,784	86,677	-	-
Disbursements:								
Instruction	4,976,793	-	-	-	-	-	-	22,400
Support services	3,108,573	-	-	354,003	690,216	113,670	-	5,060
Noninstructional services	105,555	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	279,158	591	-	-	-
Debt service	5,451	2,206,022	-	148,803	194,002	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	8,196,372	2,206,022	-	781,964	884,809	113,670	-	27,460
Excess (deficiency) of receipts over disbursements	758,587	(193,975)	-	217,579	(15,025)	(26,993)	-	(27,460)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	42,000	-	100,000	-
Transfers out	(100,000)	-	-	(42,000)	-	-	-	-
Total other financing sources (uses)	(100,000)	-	-	(42,000)	42,000	-	100,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	658,587	(193,975)	-	175,579	26,975	(26,993)	100,000	(27,460)
Cash and investments - ending	\$ 2,062,774	\$ 511,080	\$ -	\$ 524,776	\$ 192,331	\$ 69,406	\$ 106,695	\$ 45,261

TAYLOR 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, 2018

	Construction	Construction GO Bonds 2016	Construction Solar Project	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Donations for C.O. Use
Cash and investments - beginning	\$ (106)	\$ 840,289	\$ -	\$ 72,950	\$ (348,267)	\$ 35	\$ 7,471	\$ -
Receipts:								
Local sources	-	-	-	198,311	142,024	-	-	1,350
Intermediate sources	-	-	-	-	-	-	56	-
State sources	-	-	-	4,226	58,077	-	-	-
Federal sources	-	-	-	417,308	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	2,840	334,463	1,639	2,777	-	-	-
Total receipts	-	2,840	334,463	621,484	202,878	-	56	1,350
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	27,004	207,146	537	233,757	-	-	-
Noninstructional services	-	-	-	542,418	-	-	-	251
Facilities acquisition and construction	(106)	59,086	94,644	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	33,065	-	-	-	-
Total disbursements	(106)	86,090	301,790	576,020	233,757	-	-	251
Excess (deficiency) of receipts over disbursements	106	(83,250)	32,673	45,464	(30,879)	-	56	1,099
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	106	(83,250)	32,673	45,464	(30,879)	-	56	1,099
Cash and investments - ending	\$ -	\$ 757,039	\$ 32,673	\$ 118,414	\$ (379,146)	\$ 35	\$ 7,527	\$ 1,099

TAYLOR 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, 2018

	Donations for Tech Ed	Summer Food Program Donations	Community Service Learning Day	Donation for Digital Design	NIPSCO Energy Safe Kids	Walmart Media Class Grant	Preschool Parent Payment	Rainbow Gold At Both Ends - THS
Cash and investments - beginning	\$ 1,100	\$ 82	\$ -	\$ -	\$ -	\$ 587	\$ 49,816	\$ 300
Receipts:								
Local sources	100	-	950	250	-	-	17,175	-
Intermediate sources	-	-	-	-	180	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	2,663	-	-	-	-	-
Total receipts	100	-	3,613	250	180	-	17,175	-
Disbursements:								
Instruction	-	-	-	-	30	309	29,107	300
Support services	1,200	-	3,613	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,200	-	3,613	-	30	309	29,107	300
Excess (deficiency) of receipts over disbursements	(1,100)	-	-	250	150	(309)	(11,932)	(300)
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	(1,100)	-	-	250	150	(309)	(11,932)	(300)
Cash and investments - ending	\$ -	\$ 82	\$ -	\$ 250	\$ 150	\$ 278	\$ 37,884	\$ -

TAYLOR 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, 2018

	Techpoint Foundation Stem Grant	Plato Credit Recovery	Recreational Activities	Mary Wooldridge Scholarship	E. Karavitis English Scholarship	Taylor Scholarship Fund	Savannah Gragg Scholarship	Construction, Remodeling, and Equipping Buildings
Cash and investments - beginning	\$ 464	\$ 1,500	\$ (900)	\$ 436	\$ 6	\$ 3,051	\$ 2,573	\$ -
Receipts:								
Local sources	-	-	-	500	1,000	9,217	500	-
Intermediate sources	500	-	5,222	-	-	-	-	2,000
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	2,050	-	-	-	-	-	-
Total receipts	500	2,050	5,222	500	1,000	9,217	500	2,000
Disbursements:								
Instruction	964	1,551	5,176	-	-	-	-	-
Support services	-	90	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	(854)	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	500	1,000	9,100	-	-
Total disbursements	964	1,641	4,322	500	1,000	9,100	-	-
Excess (deficiency) of receipts over disbursements	(464)	409	900	-	-	117	500	2,000
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	(464)	409	900	-	-	117	500	2,000
Cash and investments - ending	\$ -	\$ 1,909	\$ -	\$ 436	\$ 6	\$ 3,168	\$ 3,073	\$ 2,000

TAYLOR 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, 2018

	Titans of Taylor	Professional Development	Formative Assessment	Special Education Excess Costs	High Ability Grant 2015-2016	High Ability Grant 2016-2017	High Ability Grant 2017-2018	Instruction Support
Cash and investments - beginning	\$ -	\$ -	\$ (10,799)	\$ -	\$ -	\$ 4,118	\$ -	\$ 917
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	14,955	5,214	-	-	29,465	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	84
Total receipts	-	-	14,955	5,214	-	-	29,465	84
Disbursements:								
Instruction	-	-	28,072	5,214	-	4,118	26,464	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	28,072	5,214	-	4,118	26,464	-
Excess (deficiency) of receipts over disbursements	-	-	(13,117)	-	-	(4,118)	3,001	84
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	-	-	(13,117)	-	-	(4,118)	3,001	84
Cash and investments - ending	\$ -	\$ -	\$ (23,916)	\$ -	\$ -	\$ -	\$ 3,001	\$ 1,001

TAYLOR 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, 2018

	Instructional Support	PVE Class Target Grant	Education Technology SPR 2016	Education Technology 2017	Common School Loan Fall 2017	Secured Schools Safety Grant	Welfare Activities	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	2,632	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	1,250
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	120,746	118,263	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	120,746	118,263	-	2,632	1,250
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	120,746	-	-	-	1,150
Noninstructional services	-	-	-	-	-	-	157	-
Facilities acquisition and construction	-	-	-	-	118,216	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	120,746	118,216	-	157	1,150
Excess (deficiency) of receipts over disbursements	-	-	-	-	47	-	2,475	100
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	-	-	-	-	47	-	2,475	100
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 47	\$ -	\$ 2,475	\$ 100

TAYLOR 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, 2018

	School Technology	Technology Grants [IC 20-40-15]	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	Title I 2016-2017	Title I School Improvement	Title I 2017-2018
Cash and investments - beginning	\$ 3,067	\$ 4,066	\$ -	\$ -	\$ -	\$ (2,551)	\$ (6,125)	\$ -
Receipts:								
Local sources	-	888	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	7,770	-	2,665	37,795	-	-	-	-
Federal sources	-	-	-	-	-	17,320	38,387	206,634
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>7,770</u>	<u>888</u>	<u>2,665</u>	<u>37,795</u>	<u>-</u>	<u>17,320</u>	<u>38,387</u>	<u>206,634</u>
Disbursements:								
Instruction	-	-	-	37,795	-	13,214	29,397	151,485
Support services	6,308	-	-	-	6,446	1,555	2,865	62,214
Noninstructional services	-	-	-	-	-	-	-	1,158
Facilities acquisition and construction	-	12,160	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>6,308</u>	<u>12,160</u>	<u>-</u>	<u>37,795</u>	<u>6,446</u>	<u>14,769</u>	<u>32,262</u>	<u>214,857</u>
Excess (deficiency) of receipts over disbursements	<u>1,462</u>	<u>(11,272)</u>	<u>2,665</u>	<u>-</u>	<u>(6,446)</u>	<u>2,551</u>	<u>6,125</u>	<u>(8,223)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	8,550	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,462</u>	<u>(2,722)</u>	<u>2,665</u>	<u>-</u>	<u>(6,446)</u>	<u>2,551</u>	<u>6,125</u>	<u>(8,223)</u>
Cash and investments - ending	<u>\$ 4,529</u>	<u>\$ 1,344</u>	<u>\$ 2,665</u>	<u>\$ -</u>	<u>\$ (6,446)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,223)</u>

TAYLOR 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, 2018

	Title I School Improvement	Title I 2015-2016	Special Ed Private Obligation	Special Ed Set Aside Funds	Improving Teacher Quality, No Child Left, Title II, Part A	Prepaid Food	Agency Funds	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (2,898)	\$ 1,440	\$ (932)	\$ 2,214	\$ 74,305	\$ 3,497,819
Receipts:								
Local sources	-	-	-	16,274	-	-	-	4,083,155
Intermediate sources	-	-	-	-	-	-	-	7,989
State sources	-	-	-	-	-	-	-	9,034,034
Federal sources	31,777	-	7,122	-	46,196	-	-	764,744
Temporary loans	-	-	-	-	-	-	-	592,704
Other receipts	-	-	-	-	-	191,574	1,949,685	2,492,458
Total receipts	<u>31,777</u>	<u>-</u>	<u>7,122</u>	<u>16,274</u>	<u>46,196</u>	<u>191,574</u>	<u>1,949,685</u>	<u>16,975,084</u>
Disbursements:								
Instruction	31,664	-	4,196	17,714	47,691	-	-	5,433,654
Support services	1,728	-	56	-	-	-	-	4,947,937
Noninstructional services	-	-	-	-	-	-	-	649,539
Facilities acquisition and construction	-	-	-	-	-	-	-	562,895
Debt service	-	-	-	-	-	-	-	2,554,278
Nonprogrammed charges	-	-	-	-	-	189,158	1,936,984	2,169,807
Total disbursements	<u>33,392</u>	<u>-</u>	<u>4,252</u>	<u>17,714</u>	<u>47,691</u>	<u>189,158</u>	<u>1,936,984</u>	<u>16,318,110</u>
Excess (deficiency) of receipts over disbursements	<u>(1,615)</u>	<u>-</u>	<u>2,870</u>	<u>(1,440)</u>	<u>(1,495)</u>	<u>2,416</u>	<u>12,701</u>	<u>656,974</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	8,550
Transfers in	-	-	-	-	-	-	-	142,000
Transfers out	-	-	-	-	-	-	-	(142,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,550</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,615)</u>	<u>-</u>	<u>2,870</u>	<u>(1,440)</u>	<u>(1,495)</u>	<u>2,416</u>	<u>12,701</u>	<u>665,524</u>
Cash and investments - ending	<u>\$ (1,615)</u>	<u>\$ -</u>	<u>\$ (28)</u>	<u>\$ -</u>	<u>\$ (2,427)</u>	<u>\$ 4,630</u>	<u>\$ 87,006</u>	<u>\$ 4,163,343</u>

TAYLOR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 52,071</u>	<u>\$ 33,307</u>

TAYLOR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Crossroads Bank	Lawn Mower	\$ 3,712	12/18/2017	12/1/2019
Crossroads Bank	Student Computers and Lawn Mower	43,512	6/19/2018	4/1/2022
Crossroads Bank	Student I Pads Computers and Carts	79,546	6/19/2018	4/1/2023
Crossroads Bank	Telephone System	24,398	8/3/2017	7/1/2022
Crossroads Bank	Student I Pads	16,705	5/13/2015	7/1/2019
Crossroads Bank	Staff Computer Equipment	72,172	5/13/2015	7/1/2019
Crossroads Bank	Student Chromebooks	53,541	6/15/2016	7/1/2020
Pitney Bowes	Postage Meter Lease	2,328	1/14/2015	12/14/2019
Ricoh USA INc.	Copier Lease	40,373	12/29/2017	1/31/2023
Taylor School Building Corporation	Building Lease	1,835,000	12/10/2015	6/30/2025
Taylor School Building Corporation	QSCB Building Lease	<u>107,906</u>	12/9/2010	12/31/2021
Total governmental activities		<u>2,279,193</u>		
Total of annual lease payments		<u>\$ 2,279,193</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Capital Expenditures	\$ 1,035,000	\$ 174,022
Tax anticipation warrants	Temporary Tax Anticipation Warrants	293,253	298,919
Notes and loans payable	Common School Loans for Technology	<u>393,522</u>	<u>130,456</u>
Total governmental activities		<u>1,721,775</u>	<u>603,397</u>
Totals		<u>\$ 1,721,775</u>	<u>\$ 603,397</u>

TAYLOR COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2018

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 64,787
Buildings	31,677,605
Improvements other than buildings	3,590,067
Machinery, equipment, and vehicles	<u>3,383,768</u>
Total governmental activities	<u>38,716,227</u>
Total capital assets	<u><u>\$ 38,716,227</u></u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE TAYLOR COMMUNITY SCHOOL
CORPORATION, HOWARD COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Taylor 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, 2016 to June 30, 2018. 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, 2016 to June 30, 2018.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

February 26, 2019

(This page intentionally left blank.)

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.

TAYLOR COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2017 and 2018

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 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2017, FY 2018	\$ -	\$ 82,400	\$ -	\$ 92,432
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 2017, FY 2018	-	285,904	-	321,432
National School Lunch Program - Commodities			FY 2017, FY 2018	-	38,285	-	40,627
Total - National School Lunch Program				-	324,189	-	362,059
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children			FY 2017, FY 2018	-	2,566	-	3,445
Total - Child Nutrition Cluster				-	409,155	-	457,936
Total - Department of Agriculture				-	409,155	-	457,936
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
School Improvement Grant			16-3460	-	-	-	6,125
School Improvement Grant			17-3460	-	-	-	38,387
School Improvement Grant			18-3460	-	-	-	31,777
Title I Basic Grant			16-3460	-	33,857	-	-
Title I Basic Grant			17-3460	-	218,928	-	17,320
Title I Basic Grant			18-3460	-	-	-	206,634
Total - Title I Grants to Local Educational Agencies				-	252,785	-	300,243

TAYLOR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

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 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Grant			14215-035-PN01	-	4,140	-	-
Special Education Grant			14216-035-PN01	-	183,939	-	10,725
Special Education Grant			14217-035-PN01	-	129,192	-	186,253
Special Education Grant			18611-033-PN01	-	-	-	139,183
Total - Special Education Grants to States				-	317,271	-	336,161
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool Grant			45716-033-PN01	-	848	-	-
Special Education Preschool Grant			45717-033-PN01	-	14,930	-	869
Special Education Preschool Grant			18619-033-PN01	-	-	-	3,342
Total - Special Education Preschool Grants				-	15,778	-	4,211
Total - Special Education Cluster (IDEA)				-	333,049	-	340,372
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Improving Teacher Quality			15-3460	-	14,301	-	-
Title II Improving Teacher Quality			16-3460	-	26,380	-	12,721
Title II Improving Teacher Quality			17-3460	-	-	-	33,475
Total - Supporting Effective Instruction State Grants				-	40,681	-	46,196
Total - Department of Education				-	626,515	-	686,811
Total federal awards expended				\$ -	\$ 1,035,670	\$ -	\$ 1,144,747

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

TAYLOR 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, 2017 and 2018. 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.

TAYLOR 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?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

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
84.367	Child Nutrition Cluster Supporting Effective Instruction State Grants	Unmodified Unmodified

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

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

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENT

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

TAYLOR COMMUNITY SCHOOL CORPORATION

3750 E. 300 S., Kokomo, IN 46902 • ph: 765.453.3035 fx: 765.455.8531

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2015-2016

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Paula Bolin

Contact Phone Number: 765-453-3035

Status of Audit Finding:

The Food Service Secretary has been reviewing all free and reduced for accuracy and signing off that they were check.

The Foods Service Secretary has been reviewing the Monthly Sponsor Claim for Reimbursement for accuracy and signing off that they were checked.

The Corporation Treasurer has reviewed the Annual Financial Report for accuracy and singed off that it has been checked.

Paula Bolin
(Signature)

Food Service Director
(Title)

December 19, 2018
(Date)



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

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/>.