

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

SOUTH DEARBORN COMMUNITY  
SCHOOL CORPORATION  
DEARBORN 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.....	11
Notes to Financial Statement .....	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	19-26
Schedule of Payables and Receivables .....	27
Schedule of Leases and Debt .....	28
Schedule of Capital Assets.....	29
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	32-34
Schedule of Expenditures of Federal Awards and Accompanying Note:	
Schedule of Expenditures of Federal Awards.....	37
Notes to Schedule of Expenditures of Federal Awards .....	38
Schedule of Findings and Questioned Costs .....	39-51
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	54-57
Corrective Action Plan .....	58-64
Other Reports.....	65

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Shawn Spindler	07-01-16 to 06-30-19
Superintendent of Schools	Dr. John Mehrle Eric Lows	07-01-16 to 06-30-18 07-01-18 to 06-30-21
President of the School Board	David Lusby Scott Willoughby	01-01-16 to 12-31-17 01-01-18 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTH DEARBORN COMMUNITY  
SCHOOL CORPORATION, DEARBORN COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the South Dearborn 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  
(Condition)

***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  
(Condition)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 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 28, 2019



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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 SOUTH DEARBORN COMMUNITY  
SCHOOL CORPORATION, DEARBORN 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 South Dearborn 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 28, 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 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 items 2018-001 and 2018-002, that we consider to be material weaknesses.

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

**Compliance and Other Matters**


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

**South Dearborn 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

February 28, 2019

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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SOUTH DEARBORN 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	\$ 2,927,150	\$ 18,231,039	\$ 17,972,441	\$ 60,464	\$ 3,246,212	\$ 17,917,311	\$ 18,416,553	\$ 7,500	\$ 2,754,470
Debt Service	2,492,931	4,315,229	4,329,306	-	2,478,854	4,465,438	4,426,328	-	2,517,964
Retirement/Severance Bond Debt Service	136,795	223,055	215,982	-	143,868	214,189	216,227	-	141,830
Capital Projects	3,971	1,442,023	1,337,748	-	108,246	1,377,540	1,336,860	-	148,926
School Transportation	163,760	1,706,655	1,767,204	-	103,211	1,748,213	1,664,351	-	187,073
School Bus Replacement	43,301	-	43,301	-	-	-	-	-	-
Rainy Day	790,320	205,684	41,073	-	954,931	205,684	173,735	-	986,880
Construction	249,455	609	182,950	-	67,114	33,149	71,575	-	28,688
School Lunch	225,097	1,338,887	1,291,929	-	272,055	1,302,263	1,265,275	-	309,043
Textbook Rental	256,082	352,600	487,493	10,438	131,627	351,835	430,264	999	54,197
Self-Insurance	154,708	-	94,244	(60,464)	-	-	-	-	-
Levy Excess	537	-	-	-	537	-	-	-	537
Alternative Education	5,995	2,100	182	-	7,913	5,222	-	-	13,135
Early Intervention Grant	-	10,848	7,525	-	3,323	10,352	10,373	-	3,302
Lilly Endowment Grant	-	30,000	19,901	-	10,099	-	4,221	-	5,878
Rising Sun Regional Foundation Grant	50,778	23,573	74,050	-	301	28,099	27,969	-	431
City of Lawrenceburg Grant	240,949	245,107	284,024	-	202,032	245,000	228,136	-	218,896
DCRTF - Nurses	-	-	-	-	-	500	500	-	-
Miscellaneous Grants	39,754	26,859	44,281	-	22,332	-	16,838	-	5,494
DCF Grant- Bus Cameras	-	-	-	-	-	100,000	100,000	-	-
ECO 15	1,935	-	1,935	-	-	-	-	-	-
Scholarships and Awards	275,423	1,246	1,118	-	275,551	2,159	1,518	-	276,192
Miscellaneous Programs	3,146	14	145	-	3,015	14	-	-	3,029
K.E. Pitts Library Memorial	1,910	8	-	-	1,918	8	-	-	1,926
Indiana Next Leadership Grant	279	-	-	-	279	-	-	-	279
Instructional Support	-	49,991	49,991	-	-	-	-	-	-
State High Ability Grant	1,828	-	535	-	1,293	-	-	-	1,293
Formative Assessment Grant	29,521	32,045	56,498	-	5,068	29,889	34,957	-	-
High Ability Education Grant	12,777	35,908	33,638	-	15,047	35,503	28,033	-	22,517
School Technology	9,251	15,963	13,240	-	11,974	17,267	2,535	-	26,706
CTE Performance Grant	-	15,620	10,961	-	4,659	16,345	18,610	-	2,394
Performance Based Awards	-	-	-	-	-	72,997	72,997	-	-
Miscellaneous Programs	-	50,543	44,519	-	6,024	56,816	41,729	(15,000)	6,111
Title I	(36,586)	517,076	500,749	-	(20,259)	441,543	438,198	-	(16,914)
Title I, 2012-2013	4,040	-	-	-	4,040	-	-	-	4,040
Medicaid Reimbursement - Federal	9,617	29,566	33,263	-	5,920	13,134	25,903	7,500	651
Payroll	5,336	14,903,091	14,906,663	-	1,764	13,842,496	13,837,751	-	6,509
Prepaid Food	13,723	579,684	578,753	-	14,654	556,185	555,003	-	15,836
Improving Teacher Quality, No Child Left, Title II, Part A	(3,622)	107,204	104,424	-	(842)	104,519	103,674	-	3
Totals	\$ 8,110,161	\$ 44,492,227	\$ 44,530,066	\$ 10,438	\$ 8,082,760	\$ 43,193,669	\$ 43,550,113	\$ 999	\$ 7,727,315

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

SOUTH DEARBORN 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.

SOUTH DEARBORN 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.

*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.

*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:

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

SOUTH DEARBORN COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

**G. Fund Accounting**

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

SOUTH DEARBORN 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.

SOUTH DEARBORN 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.

**Note 7. Cash Balance Deficits**

The financial statement contains some grant funds with deficits in cash. These deficit balances are due to the funds being set up for reimbursable grants. The reimbursements for the expenditures from these funds were not received by June 30, 2017 or 2018.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with the Aurora 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 \$3,553,800 and \$3,673,800, respectively.

#### 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.

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SOUTH DEARBORN 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	Textbook Rental
Cash and investments - beginning	\$ 2,927,150	\$ 2,492,931	\$ 136,795	\$ 3,971	\$ 163,760	\$ 43,301	\$ 790,320	\$ 249,455	\$ 225,097	\$ 256,082
Receipts:										
Local sources	1,468,457	4,315,229	223,055	1,442,023	1,706,655	-	205,684	609	639,085	259,552
Intermediate sources	27,806	-	-	-	-	-	-	-	-	-
State sources	16,734,116	-	-	-	-	-	-	-	11,431	93,048
Federal sources	-	-	-	-	-	-	-	-	688,371	-
Other receipts	660	-	-	-	-	-	-	-	-	-
Total receipts	18,231,039	4,315,229	223,055	1,442,023	1,706,655	-	205,684	609	1,338,887	352,600
Disbursements:										
Instruction	13,063,121	-	-	-	9,644	-	10,952	-	11	-
Support services	4,580,104	-	-	1,183,483	1,757,560	43,301	28,502	-	53,858	487,493
Noninstructional services	329,216	-	-	-	-	-	1,619	-	1,238,060	-
Facilities acquisition and construction	-	-	-	154,265	-	-	-	182,950	-	-
Debt service	-	4,329,306	215,982	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,972,441	4,329,306	215,982	1,337,748	1,767,204	43,301	41,073	182,950	1,291,929	487,493
Excess (deficiency) of receipts over disbursements	258,598	(14,077)	7,073	104,275	(60,549)	(43,301)	164,611	(182,341)	46,958	(134,893)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	10,438
Transfers in	60,464	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	60,464	-	-	-	-	-	-	-	-	10,438
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	319,062	(14,077)	7,073	104,275	(60,549)	(43,301)	164,611	(182,341)	46,958	(124,455)
Cash and investments - ending	\$ 3,246,212	\$ 2,478,854	\$ 143,868	\$ 108,246	\$ 103,211	\$ -	\$ 954,931	\$ 67,114	\$ 272,055	\$ 131,627

SOUTH DEARBORN 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

	Self- Insurance	Levy Excess	Alternative Education	Early Intervention Grant	Lilly Endowment Grant	Rising Sun Regional Foundation Grant	City of Lawrenceburg Grant	DCRTF- Nurses	Miscellaneous Grants	DCF Grant- Bus Cameras
Cash and investments - beginning	\$ 154,708	\$ 537	\$ 5,995	\$ -	\$ -	\$ 50,778	\$ 240,949	\$ -	\$ 39,754	\$ -
Receipts:										
Local sources	-	-	-	-	30,000	23,573	245,107	-	26,859	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	2,100	10,848	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,100	10,848	30,000	23,573	245,107	-	26,859	-
Disbursements:										
Instruction	-	-	182	7,525	-	74,050	-	-	43,268	-
Support services	94,244	-	-	-	19,901	-	-	-	1,013	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	284,024	-	-	-
Total disbursements	94,244	-	182	7,525	19,901	74,050	284,024	-	44,281	-
Excess (deficiency) of receipts over disbursements	(94,244)	-	1,918	3,323	10,099	(50,477)	(38,917)	-	(17,422)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(60,464)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(60,464)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(154,708)	-	1,918	3,323	10,099	(50,477)	(38,917)	-	(17,422)	-
Cash and investments - ending	\$ -	\$ 537	\$ 7,913	\$ 3,323	\$ 10,099	\$ 301	\$ 202,032	\$ -	\$ 22,332	\$ -

SOUTH DEARBORN 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

	ECO 15	Scholarships and Awards	Miscellaneous Programs	K.E. Pitts Library Memorial	Indiana Next Leadership Grant	Instructional Support	State High Ability Grant	Formative Assessment Grant	High Ability Education Grant	School Technology
Cash and investments - beginning	\$ 1,935	\$ 275,423	\$ 3,146	\$ 1,910	\$ 279	\$ -	\$ 1,828	\$ 29,521	\$ 12,777	\$ 9,251
Receipts:										
Local sources	-	1,246	14	8	-	-	-	-	-	7,495
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	49,991	-	32,045	35,908	8,468
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,246	14	8	-	49,991	-	32,045	35,908	15,963
Disbursements:										
Instruction	1,935	-	-	-	-	-	535	-	33,140	-
Support services	-	-	145	-	-	49,991	-	56,498	498	13,240
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,118	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,935	1,118	145	-	-	49,991	535	56,498	33,638	13,240
Excess (deficiency) of receipts over disbursements	(1,935)	128	(131)	8	-	-	(535)	(24,453)	2,270	2,723
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,935)	128	(131)	8	-	-	(535)	(24,453)	2,270	2,723
Cash and investments - ending	\$ -	\$ 275,551	\$ 3,015	\$ 1,918	\$ 279	\$ -	\$ 1,293	\$ 5,068	\$ 15,047	\$ 11,974

SOUTH DEARBORN 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

	CTE Performance Grant	Performance Based Awards	Miscellaneous Programs	Title I	Title I, 2012-2013	Medicaid Reimbursement - Federal	Payroll	Prepaid Food	Improving Teacher Quality, No Child Left, Title II, Part A	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (36,586)	\$ 4,040	\$ 9,617	\$ 5,336	\$ 13,723	\$ (3,622)	\$ 8,110,161
Receipts:										
Local sources	-	-	50,543	-	-	-	14,903,091	579,684	-	26,127,969
Intermediate sources	-	-	-	-	-	-	-	-	-	27,806
State sources	15,620	-	-	-	-	-	-	-	-	16,993,575
Federal sources	-	-	-	517,076	-	29,566	-	-	107,204	1,342,217
Other receipts	-	-	-	-	-	-	-	-	-	660
Total receipts	15,620	-	50,543	517,076	-	29,566	14,903,091	579,684	107,204	44,492,227
Disbursements:										
Instruction	10,961	-	-	494,596	-	1,920	14,906,663	578,753	68,424	29,305,680
Support services	-	-	-	3,396	-	31,343	-	-	36,000	8,440,570
Noninstructional services	-	-	44,519	2,757	-	-	-	-	-	1,616,171
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	337,215
Debt service	-	-	-	-	-	-	-	-	-	4,545,288
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,118
Interfund loans	-	-	-	-	-	-	-	-	-	284,024
Total disbursements	10,961	-	44,519	500,749	-	33,263	14,906,663	578,753	104,424	44,530,066
Excess (deficiency) of receipts over disbursements	4,659	-	6,024	16,327	-	(3,697)	(3,572)	931	2,780	(37,839)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	10,438
Transfers in	-	-	-	-	-	-	-	-	-	60,464
Transfers out	-	-	-	-	-	-	-	-	-	(60,464)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	10,438
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,659	-	6,024	16,327	-	(3,697)	(3,572)	931	2,780	(27,401)
Cash and investments - ending	\$ 4,659	\$ -	\$ 6,024	\$ (20,259)	\$ 4,040	\$ 5,920	\$ 1,764	\$ 14,654	\$ (842)	\$ 8,082,760

SOUTH DEARBORN 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	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 3,246,212	\$ 2,478,854	\$ 143,868	\$ 108,246	\$ 103,211	\$ -	\$ 954,931	\$ 67,114	\$ 272,055	\$ 131,627
Receipts:										
Local sources	1,393,179	4,465,438	214,189	1,377,540	1,744,053	-	205,684	33,149	607,583	274,954
Intermediate sources	11,427	-	-	-	-	-	-	-	-	-
State sources	16,504,759	-	-	-	-	-	-	-	11,488	76,881
Federal sources	-	-	-	-	-	-	-	-	683,192	-
Other receipts	7,946	-	-	-	4,160	-	-	-	-	-
Total receipts	17,917,311	4,465,438	214,189	1,377,540	1,748,213	-	205,684	33,149	1,302,263	351,835
Disbursements:										
Instruction	13,249,134	-	-	-	14,495	-	25,142	-	-	-
Support services	4,803,414	-	-	1,216,960	1,649,856	-	147,113	-	55,475	430,264
Noninstructional services	364,005	-	-	-	-	-	1,480	-	1,209,800	-
Facilities acquisition and construction	-	-	-	119,900	-	-	-	71,575	-	-
Debt service	-	4,426,328	216,227	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,416,553	4,426,328	216,227	1,336,860	1,664,351	-	173,735	71,575	1,265,275	430,264
Excess (deficiency) of receipts over disbursements	(499,242)	39,110	(2,038)	40,680	83,862	-	31,949	(38,426)	36,988	(78,429)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	999
Transfers in	15,000	-	-	-	-	-	-	-	-	-
Transfers out	(7,500)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	7,500	-	-	-	-	-	-	-	-	999
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(491,742)	39,110	(2,038)	40,680	83,862	-	31,949	(38,426)	36,988	(77,430)
Cash and investments - ending	\$ 2,754,470	\$ 2,517,964	\$ 141,830	\$ 148,926	\$ 187,073	\$ -	\$ 986,880	\$ 28,688	\$ 309,043	\$ 54,197

SOUTH DEARBORN 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

	Self- Insurance	Levy Excess	Alternative Education	Early Intervention Grant	Lilly Endowment Grant	Rising Sun Regional Foundation Grant	City of Lawrenceburg Grant	DCRTF- Nurses	Miscellaneous Grants	DCF Grant- Bus Cameras
Cash and investments - beginning	\$ -	\$ 537	\$ 7,913	\$ 3,323	\$ 10,099	\$ 301	\$ 202,032	\$ -	\$ 22,332	\$ -
Receipts:										
Local sources	-	-	-	-	-	28,099	245,000	500	-	100,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	5,222	10,352	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	5,222	10,352	-	28,099	245,000	500	-	100,000
Disbursements:										
Instruction	-	-	-	10,373	-	27,969	228,136	-	16,682	-
Support services	-	-	-	-	4,221	-	-	500	156	100,000
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	10,373	4,221	27,969	228,136	500	16,838	100,000
Excess (deficiency) of receipts over disbursements	-	-	5,222	(21)	(4,221)	130	16,864	-	(16,838)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	5,222	(21)	(4,221)	130	16,864	-	(16,838)	-
Cash and investments - ending	\$ -	\$ 537	\$ 13,135	\$ 3,302	\$ 5,878	\$ 431	\$ 218,896	\$ -	\$ 5,494	\$ -

SOUTH DEARBORN 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

	ECO 15	Scholarships and Awards	Miscellaneous Programs	K.E. Pitts Library Memorial	Indiana Next Leadership Grant	Instructional Support	State High Ability Grant	Formative Assessment Grant	High Ability Education Grant	School Technology
Cash and investments - beginning	\$ -	\$ 275,551	\$ 3,015	\$ 1,918	\$ 279	\$ -	\$ 1,293	\$ 5,068	\$ 15,047	\$ 11,974
Receipts:										
Local sources	-	2,159	14	8	-	-	-	-	-	6,257
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	29,889	35,503	11,010
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,159	14	8	-	-	-	29,889	35,503	17,267
Disbursements:										
Instruction	-	-	-	-	-	-	-	974	27,212	-
Support services	-	-	-	-	-	-	-	33,983	821	2,535
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,518	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,518	-	-	-	-	-	34,957	28,033	2,535
Excess (deficiency) of receipts over disbursements	-	641	14	8	-	-	-	(5,068)	7,470	14,732
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	641	14	8	-	-	-	(5,068)	7,470	14,732
Cash and investments - ending	\$ -	\$ 276,192	\$ 3,029	\$ 1,926	\$ 279	\$ -	\$ 1,293	\$ -	\$ 22,517	\$ 26,706

SOUTH DEARBORN 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

	CTE Performance Grant	Performance Based Awards	Miscellaneous Programs	Title I	Title I, 2012-2013	Medicaid Reimbursement - Federal	Payroll	Prepaid Food	Improving Teacher Quality, No Child Left, Title II, Part A	Totals
Cash and investments - beginning	\$ 4,659	\$ -	\$ 6,024	\$ (20,259)	\$ 4,040	\$ 5,920	\$ 1,764	\$ 14,654	\$ (842)	\$ 8,082,760
Receipts:										
Local sources	-	-	56,816	-	-	-	13,842,496	556,185	-	25,153,302
Intermediate sources	-	-	-	-	-	-	-	-	-	11,427
State sources	16,345	72,997	-	-	-	-	-	-	-	16,774,446
Federal sources	-	-	-	441,543	-	13,134	-	-	104,519	1,242,388
Other receipts	-	-	-	-	-	-	-	-	-	12,106
Total receipts	16,345	72,997	56,816	441,543	-	13,134	13,842,496	556,185	104,519	43,193,669
Disbursements:										
Instruction	18,610	72,997	302	432,554	-	523	13,837,751	555,003	65,456	28,583,313
Support services	-	-	-	-	-	25,380	-	-	38,218	8,508,896
Noninstructional services	-	-	41,427	5,644	-	-	-	-	-	1,622,356
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	191,475
Debt service	-	-	-	-	-	-	-	-	-	4,642,555
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,518
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,610	72,997	41,729	438,198	-	25,903	13,837,751	555,003	103,674	43,550,113
Excess (deficiency) of receipts over disbursements	(2,265)	-	15,087	3,345	-	(12,769)	4,745	1,181	845	(356,444)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	999
Transfers in	-	-	-	-	-	7,500	-	-	-	22,500
Transfers out	-	-	(15,000)	-	-	-	-	-	-	(22,500)
Total other financing sources (uses)	-	-	(15,000)	-	-	7,500	-	-	-	999
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,265)	-	87	3,345	-	(5,269)	4,745	1,181	845	(355,445)
Cash and investments - ending	\$ 2,394	\$ -	\$ 6,111	\$ (16,914)	\$ 4,040	\$ 651	\$ 6,509	\$ 15,836	\$ 3	\$ 7,727,315

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 758,948</u>	<u>\$ 88,210</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Aurora School Building Corporation	First Mortgage Bonds, Series 2013	\$ 3,374,000	7/15/2013	1/15/2025
Aurora School Building Corporation	First Mortgage Bonds, Series 2015	179,800	7/15/2015	1/15/2027
Aurora School Building Corporation	First Mortgage Bonds, Series 2017	<u>133,000</u>	6/28/2018	1/15/2029
Total governmental activities		<u>3,686,800</u>		
Total		<u>\$ 3,686,800</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Revenue bonds	School Severance Funding		\$ 415,000	\$ 215,744
Notes and loans payable	Common School Fund Loan		<u>3,989,645</u>	<u>729,551</u>
Total governmental activities			<u>4,404,645</u>	<u>945,295</u>
Totals			<u>\$ 4,404,645</u>	<u>\$ 945,295</u>

SOUTH DEARBORN 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.

	Ending Balance
Governmental activities:	
Land	\$ 759,548
Buildings	145,007,262
Improvements other than buildings	5,608,029
Machinery, equipment, and vehicles	1,081,029
Total governmental activities	152,455,868
Total capital assets	\$ 152,455,868

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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

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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 SOUTH DEARBORN COMMUNITY  
SCHOOL CORPORATION, DEARBORN COUNTY, INDIANA

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

We have audited the South Dearborn 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.

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

***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.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-004, 2018-006, and 2018-007. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 items 2018-003, 2018-004, 2018-005, 2018-006, and 2018-007, that we consider to be material weaknesses.

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

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

February 28, 2019

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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SOUTH DEARBORN 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			FY17	\$ -	\$ 128,995	\$ -	\$ -
School Breakfast			FY18	-	-	-	113,813
Total - School Breakfast Program				-	128,995	-	113,813
National School Lunch Program							
School Lunch	Indiana Department of Education	10.555					
School Lunch			FY17	-	555,718	-	-
Snack			FY18	-	-	-	564,472
Snack			FY17	-	3,658	-	-
Commodities			FY18	-	-	-	4,907
Commodities			FY17	-	86,336	-	-
Commodities			FY18	-	-	-	93,487
Total - National School Lunch Program				-	645,712	-	662,866
Total - Child Nutrition Cluster				-	774,707	-	776,679
Total - Department of Agriculture				-	774,707	-	776,679
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education			14216-050-PN01	-	205,901	-	-
Special Education			14217-050-PN01	-	260,440	-	138,539
Special Education			18611-050-PN01	-	-	-	272,729
Total - Special Education Grants to States				-	466,341	-	411,268
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education PreSchool			45716-050-PN01	-	14,612	-	-
Special Education PreSchool			45717-050-PN01	-	1,194	-	5,476
Special Education PreSchool			18619-050-PN01	-	-	-	80
Total - Special Education Preschool Grants				-	15,806	-	5,556
Total - Special Education Cluster (IDEA)				-	482,147	-	416,824
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			FY16	-	111,616	-	-
Title I			FY17	-	405,461	-	109,813
Title I			FY18	-	-	-	331,730
Total - Title I Grants to Local Educational Agencies				-	517,077	-	441,543
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIA			FY15	-	17,938	-	-
Title IIA			FY16	-	89,266	-	12,934
Title IIA			FY17	-	-	-	91,585
Total - Supporting Effective Instruction State Grants				-	107,204	-	104,519
Total - Department of Education				-	1,106,428	-	962,886
Total federal awards expended				\$ -	\$ 1,881,135	\$ -	\$ 1,739,565

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

SOUTH DEARBORN 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.

SOUTH DEARBORN 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 weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies 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
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)	Unmodified 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**

**FINDING 2018-001**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-001. The corrective action for this finding was implemented in the 2018-2019 school year.

*Condition*

There were the following deficiencies in the internal control system of the School Corporation related to financial transactions and reporting:

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

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to cash and investments, and receipts. One employee prepared bank deposits, took deposits to the bank, and prepared bank reconcilements. There was no control in place, such as an oversight, review, or approval process, for these activities.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*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 over financial transactions and reporting.

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to financial transactions and reporting.

*Views of Responsible Officials*

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

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

***FINDING 2018-002***

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-002. The corrective action for this finding was implemented in the 2018-2019 school year.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's SEFA. One employee prepared the federal award information that was entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*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 system of internal control that would have ensured proper reporting of the SEFA.

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

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have gone undetected.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls related to preparation of the SEFA.

*Views of Responsible Officials*

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

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

**FINDING 2018-003**

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY17, FY18

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-006. The corrective action for this finding was implemented in the 2018-2019 school year.

*Condition*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

*Cash Management*

The School Corporation's Treasurer monitored compliance with "the three month rule," but there was no control in place, such as an oversight, review, or approval process, to ensure net cash resources did not exceed three months average expenditures.

*Eligibility*

The School Corporation had no control in place, such as an oversight, review, or approval process, to ensure the free and reduced price lunch applications were properly determined.

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

*Reporting*

The School Corporation had no control in place, such as an oversight, review, or approval process, to ensure the accuracy of the following reports: Annual Financial Report, Reimbursement Requests, and the Verification Summary Report.

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

Verifications of free and reduced price applications were performed by the Food Service Director; however, there was no control in place, such as an oversight, review, or approval process, to ensure the accuracy of the verifications.

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)*

Paid Lunch Equity calculations were performed; however, there was no control in place, such as an oversight, review, or approval process, to ensure the accuracy of the calculations.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

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*

Management had not developed a system of internal controls that would have ensured compliance with the Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2018-004**

Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY17, FY18

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-005. The corrective action for this finding was implemented in the 2018-2019 school year.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. The School Corporation utilized a purchasing cooperative to obtain bids on their behalf for select items. There was no control in place, such as an oversight, review, or approval process, to ensure compliance with procurement requirements for items bid by the purchasing cooperative. Due to the lack of controls, the School Corporation spent over \$3,500, in aggregate, from seven vendors during the audit period without securing bids or quotes from an adequate number of qualified sources.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(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). . . ."

2 CFR 200.320(b) states:

"Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in noncompliance with both the grant agreement and the Procurement and Suspension and Debarment 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 Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2018-005**

Subject: Title I Grants to Local Educational Agencies - Internal Controls  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): FY16, FY17, FY18  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Annual Report  
Card, High School Graduation Rate  
Audit Finding: Material Weakness

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

*Condition*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with the requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement. The same individual was responsible for entering and removing cohort information within the student software system. There was no control in place, such as an oversight, review, or approval process, to ensure the accuracy of the information entered into and removed from the student software system.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

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*

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with 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 related to 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.

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

***FINDING 2018-006***

Subject: Title I Grants to Local Educational Agencies - Eligibility  
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): FY16, FY17, FY18  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-009. The corrective action for this finding was implemented in the 2018-2019 school year.

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Eligibility compliance requirement. The Eligible School Summary portion of the Title I grant application reports the public enrollment, public poverty, non-public enrollment, and non-public poverty data. The records provided by the School Corporation did not agree with the Eligible School Summary Reports public data for the 2017 and 2018 program years. In addition, no records were provided to support the non-public data.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 76.700 states: "A State and a subgrantee shall comply with the State plan and applicable statutes, regulations, and approved applications, and shall use Federal funds in accordance with those statutes, regulations, plan, and applications."

34 CFR 200.78(a)(1) states:

"An LEA must allocate funds under subpart A of this part to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the ESEA, in rank order on the basis of the total number of children from low-income families in each area or school."

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

2 CFR 200.333 states in part:

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended the School Corporation's management establish controls related to the grant agreement and the Eligibility compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2018-007**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-050-PN01, 14217-050-PN01,  
18611-050-PN01, 45716-050-PN01,  
45717-050-PN01, 18619-050-PN01

Pass Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

The School Corporation designated a fiscal agent to receive and manage the funding of the special education programs, but had no controls in place to monitor the fiscal agent's procedures, which resulted in the following noncompliance.

*Procurement*

The School Corporation did not have procedures in place to ensure the purchasing methods used by the fiscal agent complied with the School Corporation's procurement policies and applicable state, local, and federal requirements. Additionally, the School Corporation did not have procedures in place to ensure the fiscal agent was documenting the history of their procurements, including the rationale for method of procurement, selection of contract type, basis for contractor selection, and the basis for the contract price.

The fiscal agent contracted personal services to different vendors, including several with yearly contracts that exceeded the \$3,500 threshold for small purchases. The fiscal agent did not obtain price or rate quotations from an adequate number of qualified sources for the contracts that were anticipated to be over the \$3,500 threshold as required.

*Suspension and Debarment*

The School Corporation did not have internal controls in place to ensure contracted vendors that exceeded \$25,000 in the aggregate were not suspended or debarred from participation in the federal program.

For fiscal year 2017, the fiscal agent entered into one contract with a vendor that exceeded \$25,000. The fiscal agent did not perform procedures to verify the vendor was not suspended or debarred from participation in the federal program, obtain a certification regarding suspension and debarment from the vendor, or add a clause or condition to the covered transaction with that vendor prior to the contract. No contracts exceeding \$25,000 were made in fiscal year 2018.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

*Criteria*

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). . . ."

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . .

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . .

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request from the non-Federal entity;  
or
- (4) After solicitation of a number of sources, competition is determined inadequate."

2 CFR 180.300 states:

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

You do this by:

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

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

*Cause*

Management of the School Corporation had not developed or implemented a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment 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 Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

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



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2016-001: Financial Transactions and Reporting***

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Shawn Spindler, Business Manager

Contact Phone Number: 812.926.2090

1. The School Corporation has hired an assistant since the audit period to help with the lack of segregation of duties. This person issues all receipts, issues all checks, and will be trained on reconciling the funds ledger. The Business Manager/Treasurer reviews all receipts and claims prior to issuing checks. The Superintendent also reviews the claims prior to issuing checks.
2. The School Corporation has implemented several controls to ensure all payroll disbursements are approved by the School Board. This includes review by the Business Manager/Treasurer and Assistant Superintendent/Superintendent, and verification that the ledger matches with the payroll reports.

Status of Audit Finding: The corrective action for this is already in place.

### ***FINDING 2016-002: Preparation of the Schedule of Expenditures of Federal Awards***

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Shawn Spindler, Business Manager

Contact Phone Number: 812.926.2090

After the completion of the SEFA, the Business Manager/Treasurer reviews with the Superintendent prior to submission.

Status of Audit Finding: The corrective action for this is already in place.

### ***FINDING 2016-003: Child Nutrition Cluster - Special Tests and Provisions – Verification of Free and Reduced Price Applications***

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director

Contact Phone Number: 812.926.2090

The Food Service Director performs the verification of free and reduced price applications with review by the District Payroll and Treasurer Assistant. The Food Service Director also maintains and files free and reduced price applications according to the state compliance guidelines.

Status of Audit Finding: The corrective action for this is already in place.

***FINDING 2016-004: Child Nutrition Cluster – Allowable Costs/Cost Principles***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director  
Contact Phone Number: 812.926.2090

The Food Service Director will complete the Semi-Annual Certification form for the school nutrition program in December and May of each school year. This will then be reviewed by the Business Manager.

Status of Audit Finding: This plan is now in place beginning with the July-December 2018 time period.

***FINDING 2016-005: Child Nutrition Cluster – Procurement and Suspension and Debarment***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director.  
Contact Phone Number: 812.926.2090

When utilizing a purchasing cooperative to obtain bids on our behalf, the Food Service Director reviews all bids and bid tally documents to ensure compliance with Procurement requirements. Also, the Food Service Director follows the small purchase procedures and obtains at least 3 quotes for purchases that exceed \$3,000.

The Food Service Director ensures that all vendors we purchase from have not been suspended or debarred from participation in federal programs by looking them up on the federal website. This applies to any vendor with whom we spend more than \$25,000 with.

Status of Audit Finding: The corrective action is now in place beginning in October 2018.

***FINDING 2016-006: Child Nutrition Cluster – Cash Management, Eligibility, Reporting***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director  
Contact Phone Number: 812.926.2090

Child Nutrition Cluster-Cash Management – The Food Service Director monitors the School Lunch fund monthly cash balances for accuracy and ensures the net cash resources do not exceed three months average expenditures. The Food Service Director then sends to the Business Manager for review.

Child Nutrition Cluster-Eligibility – The school Treasurer/Secretary enters all free and reduced price applications into the computer software system, which determines eligibility. The eligibility determinations are then reviewed by the Food Service Director with proper documentation.

Child Nutrition Cluster-Reporting – The Food Service Director prepares the Annual Financial Report and Verification Summary Report. These reports are then reviewed by the Business Manager. The Business Manager prepares the Reimbursement Requests and then reviews them with the Food Service Director who signs off on them.

Status of Audit Finding: The corrective action is now in place beginning in September 2018.

***FINDING 2016-007: National School Lunch Program- Special Tests and Provisions- Paid Lunch Equity***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director  
Contact Phone Number: 812.926.2090

The Food Service Director completes the Paid Lunch Equity calculations which are then reviewed by the Business Manager.

Status of Audit Finding: The corrective action for this is already in place.

***FINDING 2016-008: Title I Grants to Local Educational Agencies - Internal Controls***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Shawn Spindler, Business Manager  
Chris Tanner, Assistant Superintendent  
Contact Phone Number: 812.926.2090

The School Corporation has implemented additional control over the cash management and reporting of the Title I program. Prior to submission of reimbursement requests, the Business Manager/Treasurer reviews the request and final reports with the Assistant Superintendent/Title I Director who then signs off on it. For the comparability reports, the Assistant Superintendent completes the reports and then reviews with the Business Manager/Treasurer and/or the Superintendent who approves. The withdrawal forms are reviewed and signed by the building principal as they have control of the building.

Status of Audit Finding: The corrective action for this is already in place.

***FINDING 2016-009: Title I Grants to Local Educational Agencies - Eligibility***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Chris Tanner, Assistant Superintendent  
Contact Phone Number: 812.926.2090

For the Eligible School Summary Report, we have begun the process of printing this and verifying the enrollment with our Real-Time reports. As for the non-public enrollment, we have documented our conversations with the parochial schools enrollment.

Status of Audit Finding: The corrective action for this is in place starting with the 18-19 school year.

***FINDING 2016-010: Special Education Cluster (IDEA) - Reporting***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Veda Vertz, Data Coordinator  
Contact Phone Number: 812.926.2090

The School Corporation has implemented additional control over the Special Education child count reports. The Data Coordinator submits the original count and continues to review for any errors until the count is finalized by IDOE. Once the count is final, the Business Manager/Treasurer and Superintendent sign off on the Special Education Report that is uploaded to the state.

Status of Audit Finding: The corrective action for this is already in place.

  
\_\_\_\_\_  
(Signature)

*Business Manager*  
\_\_\_\_\_  
(Title)

*1/4/19*  
\_\_\_\_\_  
(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).)



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### CORRECTIVE ACTION PLAN

**FINDING 2018-001**

Contact Person Responsible for Corrective Action: Shawn Spindler, Business Manager/Treasurer  
Contact Phone Number: 812.926.2090

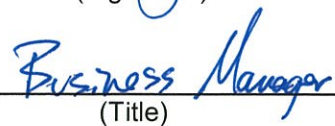
Views of Responsible Official: We concur with the finding.

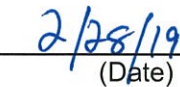
Description of Corrective Action Plan:

The Payroll/Treasurer Assistant will begin preparing the bank reconcilements with review and approval by the Business Manager.

Anticipated Completion Date: February 2019

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)

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### CORRECTIVE ACTION PLAN

**FINDING 2018-002**


Contact Person Responsible for Corrective Action: Shawn Spindler, Business Manager/Treasurer  
Contact Phone Number: 812.926.2090

Views of Responsible Official: We concur with the finding.

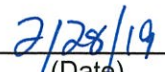
Description of Corrective Action Plan:

After completion of the SEFA, it will be reviewed and approved by the Superintendent/Assistant Superintendent.

Anticipated Completion Date: 8/1/18

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)

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CORRECTIVE ACTION PLAN

**FINDING 2018-003**

Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director  
Contact Phone Number: 812.926.2090

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Child Nutrition Cluster-Cash Management – The Food Service Director will monitor the School Lunch fund monthly cash balances for accuracy and to ensure net cash resources do not exceed three months average expenditures. The Food Service Director will then send to the Business Manager for review.

Child Nutrition Cluster-Eligibility – The school Treasurer/Secretary will enter all free and reduced price applications into the computer software system, which determines eligibility. The eligibility determinations will then be reviewed by the Food Service Director with proper documentation.

Child Nutrition Cluster-Reporting – The Food Service Director will prepare the Annual Financial Report and Verification Summary Report. These reports will then be reviewed by the Business Manager. The Business Manager will prepare the Reimbursement Requests. These requests will then be reviewed by the Food Service Director.

Paid Lunch Equity – The Food Service Director will perform the calculations with the Business Manager reviewing and approving the calculations.

Verification of Free and Reduced Price Applications - The Food Service Director will perform the verification of free and reduced price applications with review by the District Payroll and Treasurer Assistant. The Food Service Director will also maintain and file free and reduced price applications according to the state compliance guidelines. The Business Manager then approves the Verification Summary Report.

Anticipated Completion Date: October 2018

Mary Sturgeon  
(Signature)

Food Service Director  
(Title)

3-17-2019  
(Date)

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### CORRECTIVE ACTION PLAN

***FINDING 2018-004***

Contact Person Responsible for Corrective Action: Mary Sturgeon, Food Service Director  
Contact Phone Number: 812.926.2090

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Procurement

When utilizing a purchasing cooperative to obtain bids on our behalf, the Food Service Director will review all bid and bid tally documents to ensure compliance with Procurement requirements.

The Food Service Director will follow small purchase procedures and obtain price or rate quotes from three vendors for purchases that exceed \$3,500.

Anticipated Completion Date: October 2018

Mary Sturgeon  
(Signature)

Food Service Director  
(Title)

3-7-2019  
(Date)

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## CORRECTIVE ACTION PLAN

### **FINDING 2018-005**

Contact Person Responsible for Corrective Action: Lisa Moorhead, Director of Guidance  
Contact Phone Number: 812.926.2090

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

After the cohort report is entered into our software, the Director of Guidance and/or the High School Principal will review and sign off on the information.

Anticipated Completion Date: March 2019

Lisa Moorhead  
(Signature)

Director of Guidance  
(Title)

3/1/19  
(Date)

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### CORRECTIVE ACTION PLAN

**FINDING 2018-006**

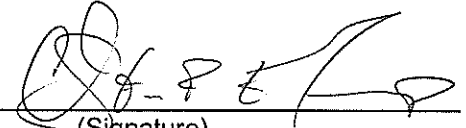
Contact Person Responsible for Corrective Action: Christopher Tanner, Assistant Superintendent  
Contact Phone Number: 812.926.2090

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Regarding the Eligible School Summary Report, we will begin printing this and verifying the enrollment with our Real-Time reports. As for the non-public enrollment, we will begin documenting our conversations with the parochial schools enrollment.

Anticipated Completion Date: September 2018

  
\_\_\_\_\_  
(Signature)

*ASSISTANT SUPERINTENDENT*  
\_\_\_\_\_  
(Title)

03/01/2019  
\_\_\_\_\_  
(Date)

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## CORRECTIVE ACTION PLAN

### **FINDING 2018-007**

Contact Person Responsible for Corrective Action: Shawn Spindler, Business Manager  
Contact Phone Number: 812.926.2090

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

To address the Procurement finding:

Documentation of price/rate quotations obtained from an adequate number of qualified vendors for purchases anticipated to be over the \$3,000 threshold for small purchases will be maintained at the ROD Cooperative.

To address the Suspension and Debarment:

The following internal control procedure has been established to verify a vendor that exceeds \$25,000 has not been suspended or debarred: For each vendor that exceeds \$25,000, the ROD cooperative will do a search on the SAM Federal registry to verify the selected vendor has not been suspended or debarred. The director will also sign the printed registry search verifying the vendor has not been suspended or debarred.

Anticipated Completion Date: March 2019

  
\_\_\_\_\_  
(Signature)

*Business Manager*  
\_\_\_\_\_  
(Title)

*2/28/19*  
\_\_\_\_\_  
(Date)

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#### OTHER REPORTS

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