

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

DECATUR COUNTY COMMUNITY SCHOOLS  
DECATUR COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
04/10/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Louise S. Smith	01-01-16 to 12-31-19
Superintendent of Schools	Johnny D. Budd Dr. S. Jarrod Burns	07-01-16 to 06-30-17 07-01-17 to 06-30-21
President of the School Board	Todd Mauer Lizette Bell	01-01-16 to 12-31-18 01-01-19 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE DECATUR COUNTY COMMUNITY  
SCHOOLS, DECATUR COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Decatur County Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 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

March 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 DECATUR COUNTY COMMUNITY  
SCHOOLS, DECATUR 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 Decatur County Community Schools (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 March 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

**Decatur County Community Schools' 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

March 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.

DECATUR COUNTY COMMUNITY SCHOOLS  
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	Receipts	Disbursements	Other	Cash and	Receipts	Disbursements	Other	Cash and
	Investments			Financing	Investments			Financing	Investments
	07-01-16			Sources (Uses)	06-30-17			Sources (Uses)	06-30-18
General	\$ 3,706,567	\$ 13,221,920	\$ 14,331,058	\$ -	\$ 2,597,429	\$ 13,666,648	\$ 14,397,379	\$ 1,000	\$ 1,867,698
Debt Service	1,586,307	1,544,238	1,475,923	(67,721)	1,586,901	1,501,422	1,454,570	(171,695)	1,462,058
Retirement/Severance Bond Debt Service	152,392	217,429	218,281	-	151,540	218,890	220,434	-	149,996
Capital Projects	1,979,111	1,777,781	1,692,313	500	2,065,079	1,726,068	1,786,880	-	2,004,267
School Transportation	346,928	1,436,450	1,399,201	-	384,177	1,490,418	1,435,957	-	438,638
School Bus Replacement	261,446	154,193	-	-	415,639	264,828	376,668	6,416	310,215
Rainy Day	1,141,963	-	-	-	1,141,963	-	-	-	1,141,963
Post-Retirement/Severance Future Benefits	275,500	-	-	-	275,500	-	-	-	275,500
Construction	12,381	-	-	-	12,381	-	-	-	12,381
School Lunch	357,696	1,278,177	1,173,703	-	462,170	1,309,428	1,365,675	-	405,923
Textbook Rental	216,469	334,024	308,076	67,721	310,138	339,778	412,399	171,695	409,212
Levy Excess	984	-	-	-	984	-	-	-	984
Educational License Plates	28,822	94	-	-	28,916	75	-	-	28,991
Alternative Education	13,706	-	-	-	13,706	-	-	-	13,706
School Library Printed Material	31	-	-	-	31	-	-	-	31
SAFE School Haven	149	-	77	-	72	-	-	-	72
Literacy Early Intervention	-	-	-	-	-	8,321	8,256	-	65
Anti Bullying Program	(77)	-	(77)	-	-	-	-	-	-
Scholarships and Awards	23,266	-	-	-	23,266	-	-	-	23,266
Nobbe Brown Conover Scholarship	39,470	6,000	6,000	-	39,470	8,000	8,000	-	39,470
Keisha Boyce Memorial Scholarship	1,000	-	-	-	1,000	-	-	-	1,000
FEWSIC Grant	784	-	-	-	784	-	-	-	784
PLTW Award	1	-	1	-	-	-	-	-	-
Biomed Ivy Tech Grant	-	-	-	-	-	1,448	687	-	761
Miscellaneous Programs	32	-	-	-	32	-	-	-	32
Indiana Next Leadership	96	-	92	-	4	-	-	-	4
Rachel's Challenge	732	500	340	-	892	-	-	-	892
Back to School Bash	-	100	-	-	100	500	278	-	322
REMC Emergency Action Guides	-	2,500	-	-	2,500	1,500	-	-	4,000
Honda Stem Elementary	-	-	-	-	-	2,750	2,750	-	-
Thank a Teacher Grant	1,248	2,667	3,331	-	584	3,151	3,085	-	650
Health Science Education Pro	(94)	-	(94)	-	-	-	-	-	-
United Fund Decatur Co Grant	(106)	-	(106)	-	-	5,000	-	-	5,000
Dec Cty Soil & Water SDES Lab	255	-	-	-	255	-	-	-	255
Duke Energy Summer Reading Pro	471	-	471	-	-	-	-	-	-
Duke Energy Stem Grant 2016	-	8,500	8,026	-	474	-	117	-	357
Duke Energy Literacy Grant 16	(685)	17,350	16,317	-	348	-	348	-	-
Duke Energy Grant 2017	-	13,500	-	-	13,500	-	13,420	-	80
Duke Energy Stem Grant 2018	-	-	-	-	-	6,640	-	-	6,640
Lilly Counseling Grant	-	30,000	4,500	-	25,500	-	-	-	25,500
TIF Decatur Co	-	-	-	-	-	63,632	63,632	-	-
Formative Assessment	-	25,633	25,633	-	-	23,813	23,813	-	-

DECATUR COUNTY COMMUNITY SCHOOLS  
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
High Ability 2015-2016	1,373	-	1,373	-	-	-	-	-	-
High Ability 16-17	-	32,671	26,178	-	6,493	-	6,493	-	-
High Ability 17-18	-	-	-	-	-	32,346	6,325	-	26,021
Medicaid Reimbursement	1,549	-	-	-	1,549	-	-	-	1,549
Secured Schools Safety Grant	(62,500)	57,495	50,000	-	(55,005)	60,000	98,250	-	(93,255)
Non-English Speaking Programs	690	-	-	-	690	-	85	-	605
School Technology	11,625	8,468	-	-	20,093	11,010	-	-	31,103
IPAD Insurance	39,684	19,188	25,180	-	33,692	20,648	14,907	-	39,433
Technology Grants [IC 20-40-15]	(4,816)	29,986	25,170	-	-	-	-	-	-
Career and Technical Performance Grant	-	26,159	-	-	26,159	16,768	21,116	-	21,811
Performance Based Awards	4,319	-	-	-	4,319	-	-	-	4,319
PLTW Gateway Cummins Grant	(2,201)	-	(2,201)	-	-	-	-	-	-
Senator David Ford Technology	-	-	-	-	-	-	49,468	-	(49,468)
Excess PTRC Distributions	39,690	-	-	-	39,690	-	-	-	39,690
Title I 2015-2016	(62,959)	35,662	(27,297)	-	-	-	-	-	-
Title I 2016-2017	-	208,692	220,517	-	(11,825)	26,643	14,818	-	-
Title I 2017-2018	-	-	-	-	-	242,259	274,862	-	(32,603)
IDEA	(3,033)	3,375	342	-	-	-	-	-	-
IDEA Grant 2015-2016	(65,581)	108,555	42,974	-	-	-	-	-	-
IDEA Grant 2016-2017	-	316,987	455,687	-	(138,700)	179,080	41,777	-	(1,397)
IDEA Preschool Grant	-	-	-	-	-	17,088	17,089	-	(1)
IDEA Grant 17-18	-	-	-	-	-	382,160	405,132	-	(22,972)
Drug Free Schools	17	-	-	-	17	-	-	-	17
PLTW ECO15 Bio Med	(1,388)	-	(1,388)	-	-	-	-	-	-
PLTW ECO15 Pre-Engineering	(1,120)	-	(1,120)	-	-	-	-	-	-
PLTW Pre-Engineering	471	-	-	-	471	-	-	-	471
Child Care and Development Block Grant	600	-	-	-	600	-	-	-	600
Title II 2015-2016	(1,029)	45,604	44,575	-	-	-	-	-	-
Title II 16-17	-	14,312	14,567	-	(255)	62,112	61,857	-	-
Title IIA 2017-2018	-	-	-	-	-	21,123	21,505	-	(382)
Title III - English Proficiency Migrant	-	1,105	1,105	-	-	-	-	-	-
STEM Grant	(2,695)	3,649	954	-	-	-	-	-	-
STEM Honda Donation	2,625	-	2,625	-	-	-	-	-	-
Self-Insurance	678,887	2,774,140	2,623,495	-	829,532	2,709,726	2,913,592	-	625,666
Prepaid Food	10,225	597,828	590,693	-	17,360	589,342	589,562	-	17,140
Payroll Withholdings	292,842	3,415,191	3,372,177	-	335,856	3,389,484	3,342,079	-	383,261
Accounts Payable Electronic Payments	7,927	197,542	161,919	-	43,550	140,457	177,125	-	6,882
Totals	<u>\$ 11,032,047</u>	<u>\$ 27,967,665</u>	<u>\$ 28,290,591</u>	<u>\$ 500</u>	<u>\$ 10,709,621</u>	<u>\$ 28,542,556</u>	<u>\$ 29,630,390</u>	<u>\$ 7,416</u>	<u>\$ 9,629,203</u>

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

DECATUR COUNTY COMMUNITY SCHOOLS  
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.

DECATUR COUNTY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

**E. Disbursements**

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

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

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

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

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

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

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

**F. Other Financing Sources and Uses**

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

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

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

DECATUR COUNTY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

DECATUR COUNTY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension 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.

DECATUR COUNTY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Negative Disbursements**

The financial statement contains some disbursements which appear as negative entries. This is a result of the correction of errors from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and correction were made in separate periods, a negative disbursement was shown in the current period.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2017 and 2018.

DECATUR COUNTY COMMUNITY SCHOOLS  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 9. Restatements**

For the year ended June 30, 2016, certain changes have been made to the beginning balance of the Prepaid Food fund to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of the restated beginning balance:

Fund	Balance as of June 30, 2016	Prior Period Adjustment	Balance as of July 1, 2016
Prepaid Food	\$ -	\$ 10,225	\$ 10,225

**Note 10. Holding Corporation**

The School Corporation has entered into a capital lease with the Decatur County 2010 School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years 2017 and 2018 totaled \$1,475,923 and \$1,454,570, respectively.

**Note 11. Subsequent Events - Holding Corporation Construction Projects**

The School Corporation signed an amended lease on March 9, 2019, with the Decatur County 2010 School Building Corporation to fund renovations to leased school buildings. The Decatur County 2010 School Building Corporation issued Ad Valorem Property Tax First Mortgage Bonds, Series 2019 in the amount of \$18,695,000, which were sold on March 12, 2019.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction	School Lunch
Cash and investments - beginning	\$ 3,706,567	\$ 1,586,307	\$ 152,392	\$ 1,979,111	\$ 346,928	\$ 261,446	\$ 1,141,963	\$ 275,500	\$ 12,381	\$ 357,696
Receipts:										
Local sources	140,178	1,544,238	217,429	1,777,781	1,436,450	154,193	-	-	-	627,006
Intermediate sources	15	-	-	-	-	-	-	-	-	-
State sources	13,060,091	-	-	-	-	-	-	-	-	13,404
Federal sources	-	-	-	-	-	-	-	-	-	637,767
Other receipts	21,636	-	-	-	-	-	-	-	-	-
Total receipts	13,221,920	1,544,238	217,429	1,777,781	1,436,450	154,193	-	-	-	1,278,177
Disbursements:										
Instruction	10,015,409	-	-	-	-	-	-	-	-	-
Support services	4,088,723	-	-	870,918	1,399,201	-	-	-	-	-
Noninstructional services	226,926	-	-	-	-	-	-	-	-	1,173,703
Facilities acquisition and construction	-	-	-	821,395	-	-	-	-	-	-
Debt service	-	1,475,923	218,281	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,331,058	1,475,923	218,281	1,692,313	1,399,201	-	-	-	-	1,173,703
Excess (deficiency) of receipts over disbursements	(1,109,138)	68,315	(852)	85,468	37,249	154,193	-	-	-	104,474
Other financing sources (uses):										
Sale of capital assets	-	-	-	500	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(67,721)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(67,721)	-	500	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,109,138)	594	(852)	85,968	37,249	154,193	-	-	-	104,474
Cash and investments - ending	\$ 2,597,429	\$ 1,586,901	\$ 151,540	\$ 2,065,079	\$ 384,177	\$ 415,639	\$ 1,141,963	\$ 275,500	\$ 12,381	\$ 462,170

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	School Library Printed Material	SAFE School Haven	Literacy Early Intervention	Anti Bullying Program	Scholarships and Awards	Nobbe Brown Conover Scholarship
Cash and investments - beginning	\$ 216,469	\$ 984	\$ 28,822	\$ 13,706	\$ 31	\$ 149	\$ -	\$ (77)	\$ 23,266	\$ 39,470
Receipts:										
Local sources	265,545	-	-	-	-	-	-	-	-	6,000
Intermediate sources	-	-	94	-	-	-	-	-	-	-
State sources	68,479	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	334,024	-	94	-	-	-	-	-	-	6,000
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	308,076	-	-	-	-	77	-	(77)	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	6,000
Total disbursements	308,076	-	-	-	-	77	-	(77)	-	6,000
Excess (deficiency) of receipts over disbursements	25,948	-	94	-	-	(77)	-	77	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	67,721	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	67,721	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	93,669	-	94	-	-	(77)	-	77	-	-
Cash and investments - ending	\$ 310,138	\$ 984	\$ 28,916	\$ 13,706	\$ 31	\$ 72	\$ -	\$ -	\$ 23,266	\$ 39,470

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Keisha Boyce Memorial Scholarship	FEWSIC Grant	PLTW Award	Biomed Ivy Tech Grant	Miscellaneous Programs	Indiana Next Leadership	Rachel's Challenge	Back to School Bash	REMC Emergency Action Guides	Honda Stem Elementary
Cash and investments - beginning	\$ 1,000	\$ 784	\$ 1	\$ -	\$ 32	\$ 96	\$ 732	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	500	100	2,500	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	500	100	2,500	-
Disbursements:										
Instruction	-	-	1	-	-	92	-	-	-	-
Support services	-	-	-	-	-	-	340	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1	-	-	92	340	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(1)	-	-	(92)	160	100	2,500	-
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)	-	-	(92)	160	100	2,500	-
Cash and investments - ending	\$ 1,000	\$ 784	\$ -	\$ -	\$ 32	\$ 4	\$ 892	\$ 100	\$ 2,500	\$ -

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

	Thank a Teacher Grant	Health Science Education Pro	United Fund Decatur Co Grant	Dec Cty Soil & Water SDES Lab	Duke Energy Summer Reading Pro	Duke Energy Stem Grant 2016	Duke Energy Literacy Grant 16	Duke Energy Grant 2017	Duke Energy Stem Grant 2018	Lilly Counseling Grant
Cash and investments - beginning	\$ 1,248	\$ (94)	\$ (106)	\$ 255	\$ 471	\$ -	\$ (685)	\$ -	\$ -	\$ -
Receipts:										
Local sources	2,667	-	-	-	-	8,500	17,350	13,500	-	30,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	2,667	-	-	-	-	8,500	17,350	13,500	-	30,000
Disbursements:										
Instruction	3,331	(94)	-	-	471	8,026	16,317	-	-	-
Support services	-	-	-	-	-	-	-	-	-	4,500
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	(106)	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,331	(94)	(106)	-	471	8,026	16,317	-	-	4,500
Excess (deficiency) of receipts over disbursements	(664)	94	106	-	(471)	474	1,033	13,500	-	25,500
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	(664)	94	106	-	(471)	474	1,033	13,500	-	25,500
Cash and investments - ending	\$ 584	\$ -	\$ -	\$ 255	\$ -	\$ 474	\$ 348	\$ 13,500	\$ -	\$ 25,500

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	TIF Decatur Co	Formative Assessment	High Ability 2015-2016	High Ability 16-17	High Ability 17-18	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	IPAD Insurance
Cash and investments - beginning	\$ -	\$ -	\$ 1,373	\$ -	\$ -	\$ 1,549	\$ (62,500)	\$ 690	\$ 11,625	\$ 39,684
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	19,188
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	25,633	-	32,671	-	-	57,495	-	8,468	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	25,633	-	32,671	-	-	57,495	-	8,468	19,188
Disbursements:										
Instruction	-	25,633	1,373	26,178	-	-	-	-	-	25,180
Support services	-	-	-	-	-	-	50,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	25,633	1,373	26,178	-	-	50,000	-	-	25,180
Excess (deficiency) of receipts over disbursements	-	-	(1,373)	6,493	-	-	7,495	-	8,468	(5,992)
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	-	-	(1,373)	6,493	-	-	7,495	-	8,468	(5,992)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 6,493	\$ -	\$ 1,549	\$ (55,005)	\$ 690	\$ 20,093	\$ 33,692

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

	Technology Grants [IC 20-40-15]	Career and Technical Performance Grant	Performance Based Awards	PLTW Gateway Cummins Grant	Senator David Ford Technology	Excess PTRC Distributions	Title I 2015-2016	Title I 2016-2017	Title I 2017-2018	IDEA
Cash and investments - beginning	\$ (4,816)	\$ -	\$ 4,319	\$ (2,201)	\$ -	\$ 39,690	\$ (62,959)	\$ -	\$ -	\$ (3,033)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	3,375
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	29,986	26,159	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	35,662	208,692	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	29,986	26,159	-	-	-	-	35,662	208,692	-	3,375
Disbursements:										
Instruction	-	-	-	(2,201)	-	-	(30,097)	219,650	-	342
Support services	25,170	-	-	-	-	-	2,800	-	-	-
Noninstructional services	-	-	-	-	-	-	-	867	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	25,170	-	-	(2,201)	-	-	(27,297)	220,517	-	342
Excess (deficiency) of receipts over disbursements	4,816	26,159	-	2,201	-	-	62,959	(11,825)	-	3,033
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	4,816	26,159	-	2,201	-	-	62,959	(11,825)	-	3,033
Cash and investments - ending	\$ -	\$ 26,159	\$ 4,319	\$ -	\$ -	\$ 39,690	\$ -	\$ (11,825)	\$ -	\$ -

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	IDEA Grant 2015-2016	IDEA Grant 2016-2017	IDEA Preschool Grant	IDEA Grant 17-18	Drug Free Schools	PLTW ECO15 Bio Med	PLTW ECO15 Pre-Engineering	PLTW Pre- Engineering	Child Care and Development Block Grant	Title II 2015-2016
Cash and investments - beginning	\$ (65,581)	\$ -	\$ -	\$ -	\$ 17	\$ (1,388)	\$ (1,120)	\$ 471	\$ 600	\$ (1,029)
Receipts:										
Local sources	108,555	316,987	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	45,604
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	108,555	316,987	-	-	-	-	-	-	-	45,604
Disbursements:										
Instruction	42,974	455,687	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	(1,388)	(1,120)	-	-	44,575
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	42,974	455,687	-	-	-	(1,388)	(1,120)	-	-	44,575
Excess (deficiency) of receipts over disbursements	65,581	(138,700)	-	-	-	1,388	1,120	-	-	1,029
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	65,581	(138,700)	-	-	-	1,388	1,120	-	-	1,029
Cash and investments - ending	\$ -	\$ (138,700)	\$ -	\$ -	\$ 17	\$ -	\$ -	\$ 471	\$ 600	\$ -

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Title II 16-17	Title IIA 2017-2018	Title III - English Proficiency Migrant	STEM Grant	STEM Honda Donation	Self- Insurance	Prepaid Food	Payroll Withholdings	Accounts Payable Electronic Payments	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (2,695)	\$ 2,625	\$ 678,887	\$ 10,225	\$ 292,842	\$ 7,927	\$ 11,032,047
Receipts:										
Local sources	-	-	-	3,649	-	-	-	-	-	6,695,691
Intermediate sources	-	-	-	-	-	-	-	-	-	109
State sources	-	-	1,105	-	-	-	-	-	-	13,323,491
Federal sources	14,312	-	-	-	-	-	-	-	-	942,037
Other receipts	-	-	-	-	-	2,774,140	597,828	3,415,191	197,542	7,006,337
Total receipts	14,312	-	1,105	3,649	-	2,774,140	597,828	3,415,191	197,542	27,967,665
Disbursements:										
Instruction	-	-	-	954	2,625	-	-	-	-	10,811,851
Support services	14,567	-	1,105	-	-	-	-	-	-	6,807,467
Noninstructional services	-	-	-	-	-	-	-	-	-	1,401,496
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	821,289
Debt service	-	-	-	-	-	-	-	-	-	1,694,204
Nonprogrammed charges	-	-	-	-	-	2,623,495	590,693	3,372,177	161,919	6,754,284
Total disbursements	14,567	-	1,105	954	2,625	2,623,495	590,693	3,372,177	161,919	28,290,591
Excess (deficiency) of receipts over disbursements	(255)	-	-	2,695	(2,625)	150,645	7,135	43,014	35,623	(322,926)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	500
Transfers in	-	-	-	-	-	-	-	-	-	67,721
Transfers out	-	-	-	-	-	-	-	-	-	(67,721)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(255)	-	-	2,695	(2,625)	150,645	7,135	43,014	35,623	(322,426)
Cash and investments - ending	\$ (255)	\$ -	\$ -	\$ -	\$ -	\$ 829,532	\$ 17,360	\$ 335,856	\$ 43,550	\$ 10,709,621

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction	School Lunch
Cash and investments - beginning	\$ 2,597,429	\$ 1,586,901	\$ 151,540	\$ 2,065,079	\$ 384,177	\$ 415,639	\$ 1,141,963	\$ 275,500	\$ 12,381	\$ 462,170
Receipts:										
Local sources	255,161	1,501,422	218,890	1,726,068	1,490,418	264,828	-	-	-	624,081
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	13,411,487	-	-	-	-	-	-	-	-	13,165
Federal sources	-	-	-	-	-	-	-	-	-	672,182
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	13,666,648	1,501,422	218,890	1,726,068	1,490,418	264,828	-	-	-	1,309,428
Disbursements:										
Instruction	10,000,440	-	-	-	-	-	-	-	-	-
Support services	4,157,907	-	-	875,758	1,435,957	376,668	-	-	-	-
Noninstructional services	221,632	-	-	-	-	-	-	-	-	1,365,675
Facilities acquisition and construction	17,400	-	-	911,122	-	-	-	-	-	-
Debt service	-	1,454,570	220,434	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,397,379	1,454,570	220,434	1,786,880	1,435,957	376,668	-	-	-	1,365,675
Excess (deficiency) of receipts over disbursements	(730,731)	46,852	(1,544)	(60,812)	54,461	(111,840)	-	-	-	(56,247)
Other financing sources (uses):										
Sale of capital assets	1,000	-	-	-	-	6,416	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(171,695)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,000	(171,695)	-	-	-	6,416	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(729,731)	(124,843)	(1,544)	(60,812)	54,461	(105,424)	-	-	-	(56,247)
Cash and investments - ending	\$ 1,867,698	\$ 1,462,058	\$ 149,996	\$ 2,004,267	\$ 438,638	\$ 310,215	\$ 1,141,963	\$ 275,500	\$ 12,381	\$ 405,923

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	School Library Printed Material	SAFE School Haven	Literacy Early Intervention	Anti Bullying Program	Scholarships and Awards	Nobbe Brown Conover Scholarship
Cash and investments - beginning	\$ 310,138	\$ 984	\$ 28,916	\$ 13,706	\$ 31	\$ 72	\$ -	\$ -	\$ 23,266	\$ 39,470
Receipts:										
Local sources	267,142	-	-	-	-	-	-	-	-	8,000
Intermediate sources	-	-	75	-	-	-	-	-	-	-
State sources	72,636	-	-	-	-	-	8,321	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	339,778	-	75	-	-	-	8,321	-	-	8,000
Disbursements:										
Instruction	-	-	-	-	-	-	8,256	-	-	-
Support services	412,399	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	8,000
Total disbursements	412,399	-	-	-	-	-	8,256	-	-	8,000
Excess (deficiency) of receipts over disbursements	(72,621)	-	75	-	-	-	65	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	171,695	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	171,695	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	99,074	-	75	-	-	-	65	-	-	-
Cash and investments - ending	\$ 409,212	\$ 984	\$ 28,991	\$ 13,706	\$ 31	\$ 72	\$ 65	\$ -	\$ 23,266	\$ 39,470

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Keisha Boyce Memorial Scholarship	FEWSIC Grant	PLTW Award	Biomed Ivy Tech Grant	Miscellaneous Programs	Indiana Next Leadership	Rachel's Challenge	Back to School Bash	REMC Emergency Action Guides	Honda Stem Elementary
Cash and investments - beginning	\$ 1,000	\$ 784	\$ -	\$ -	\$ 32	\$ 4	\$ 892	\$ 100	\$ 2,500	\$ -
Receipts:										
Local sources	-	-	-	1,448	-	-	-	500	1,500	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	2,750
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,448	-	-	-	500	1,500	2,750
Disbursements:										
Instruction	-	-	-	687	-	-	-	-	-	2,750
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	278	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	687	-	-	-	278	-	2,750
Excess (deficiency) of receipts over disbursements	-	-	-	761	-	-	-	222	1,500	-
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	-	-	-	761	-	-	-	222	1,500	-
Cash and investments - ending	\$ 1,000	\$ 784	\$ -	\$ 761	\$ 32	\$ 4	\$ 892	\$ 322	\$ 4,000	\$ -

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Thank a Teacher Grant	Health Science Education Pro	United Fund Decatur Co Grant	Dec Cty Soil & Water SDES Lab	Duke Energy Summer Reading Pro	Duke Energy Stem Grant 2016	Duke Energy Literacy Grant 16	Duke Energy Grant 2017	Duke Energy Stem Grant 2018	Lilly Counseling Grant
Cash and investments - beginning	\$ 584	\$ -	\$ -	\$ 255	\$ -	\$ 474	\$ 348	\$ 13,500	\$ -	\$ 25,500
Receipts:										
Local sources	3,151	-	-	-	-	-	-	-	6,640	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	5,000	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	3,151	-	5,000	-	-	-	-	-	6,640	-
Disbursements:										
Instruction	3,085	-	-	-	-	117	348	13,420	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,085	-	-	-	-	117	348	13,420	-	-
Excess (deficiency) of receipts over disbursements	66	-	5,000	-	-	(117)	(348)	(13,420)	6,640	-
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	66	-	5,000	-	-	(117)	(348)	(13,420)	6,640	-
Cash and investments - ending	\$ 650	\$ -	\$ 5,000	\$ 255	\$ -	\$ 357	\$ -	\$ 80	\$ 6,640	\$ 25,500

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	TIF Decatur Co	Formative Assessment	High Ability 2015-2016	High Ability 16-17	High Ability 17-18	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	IPAD Insurance
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 6,493	\$ -	\$ 1,549	\$ (55,005)	\$ 690	\$ 20,093	\$ 33,692
Receipts:										
Local sources	63,632	-	-	-	-	-	-	-	-	20,648
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	23,813	-	-	32,346	-	60,000	-	11,010	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	63,632	23,813	-	-	32,346	-	60,000	-	11,010	20,648
Disbursements:										
Instruction	63,632	23,813	-	6,493	6,325	-	-	85	-	14,907
Support services	-	-	-	-	-	-	98,250	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	63,632	23,813	-	6,493	6,325	-	98,250	85	-	14,907
Excess (deficiency) of receipts over disbursements	-	-	-	(6,493)	26,021	-	(38,250)	(85)	11,010	5,741
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	-	-	-	(6,493)	26,021	-	(38,250)	(85)	11,010	5,741
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 26,021	\$ 1,549	\$ (93,255)	\$ 605	\$ 31,103	\$ 39,433

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Technology Grants [IC 20-40-15]	Career and Technical Performance Grant	Performance Based Awards	PLTW Gateway Cummins Grant	Senator David Ford Technology	Excess PTRC Distributions	Title I 2015-2016	Title I 2016-2017	Title I 2017-2018	IDEA
Cash and investments - beginning	\$ -	\$ 26,159	\$ 4,319	\$ -	\$ -	\$ 39,690	\$ -	\$ (11,825)	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	2,436	-	-	-	-	-	-	-	-
Federal sources	-	14,332	-	-	-	-	-	26,643	242,259	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	16,768	-	-	-	-	-	26,643	242,259	-
Disbursements:										
Instruction	-	21,116	-	-	49,468	-	-	14,818	273,691	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	1,171	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	21,116	-	-	49,468	-	-	14,818	274,862	-
Excess (deficiency) of receipts over disbursements	-	(4,348)	-	-	(49,468)	-	-	11,825	(32,603)	-
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	-	(4,348)	-	-	(49,468)	-	-	11,825	(32,603)	-
Cash and investments - ending	\$ -	\$ 21,811	\$ 4,319	\$ -	\$ (49,468)	\$ 39,690	\$ -	\$ -	\$ (32,603)	\$ -

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	IDEA Grant 2015-2016	IDEA Grant 2016-2017	IDEA Preschool Grant	IDEA Grant 17-18	Drug Free Schools	PLTW ECO15 Bio Med	PLTW ECO15 Pre-Engineering	PLTW Pre- Engineering	Child Care and Development Block Grant	Title II 2015-2016
Cash and investments - beginning	\$ -	\$ (138,700)	\$ -	\$ -	\$ 17	\$ -	\$ -	\$ 471	\$ 600	\$ -
Receipts:										
Local sources	-	179,080	17,088	382,160	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	179,080	17,088	382,160	-	-	-	-	-	-
Disbursements:										
Instruction	-	41,777	17,089	405,132	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	41,777	17,089	405,132	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	137,303	(1)	(22,972)	-	-	-	-	-	-
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	-	137,303	(1)	(22,972)	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ (1,397)	\$ (1)	\$ (22,972)	\$ 17	\$ -	\$ -	\$ 471	\$ 600	\$ -

DECATUR COUNTY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Title II 16-17	Title IIA 2017-2018	Title III - English Proficiency Migrant	STEM Grant	STEM Honda Donation	Self- Insurance	Prepaid Food	Payroll Withholdings	Accounts Payable Electronic Payments	Totals
Cash and investments - beginning	\$ (255)	\$ -	\$ -	\$ -	\$ -	\$ 829,532	\$ 17,360	\$ 335,856	\$ 43,550	\$ 10,709,621
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	7,031,857
Intermediate sources	-	-	-	-	-	-	-	-	-	75
State sources	-	-	-	-	-	-	-	-	-	13,635,214
Federal sources	62,112	21,123	-	-	-	-	-	-	-	1,046,401
Other receipts	-	-	-	-	-	2,709,726	589,342	3,389,484	140,457	6,829,009
Total receipts	62,112	21,123	-	-	-	2,709,726	589,342	3,389,484	140,457	28,542,556
Disbursements:										
Instruction	258	3,590	-	-	-	-	-	-	-	10,971,297
Support services	61,599	17,915	-	-	-	-	-	-	-	7,436,453
Noninstructional services	-	-	-	-	-	-	-	-	-	1,588,756
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	928,522
Debt service	-	-	-	-	-	-	-	-	-	1,675,004
Nonprogrammed charges	-	-	-	-	-	2,913,592	589,562	3,342,079	177,125	7,030,358
Total disbursements	61,857	21,505	-	-	-	2,913,592	589,562	3,342,079	177,125	29,630,390
Excess (deficiency) of receipts over disbursements	255	(382)	-	-	-	(203,866)	(220)	47,405	(36,668)	(1,087,834)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	7,416
Transfers in	-	-	-	-	-	-	-	-	-	171,695
Transfers out	-	-	-	-	-	-	-	-	-	(171,695)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	7,416
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	255	(382)	-	-	-	(203,866)	(220)	47,405	(36,668)	(1,080,418)
Cash and investments - ending	\$ -	\$ (382)	\$ -	\$ -	\$ -	\$ 625,666	\$ 17,140	\$ 383,261	\$ 6,882	\$ 9,629,203

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DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 557,349</u>	<u>\$ -</u>

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF LEASES AND DEBT  
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Decatur County 2010 School Building Corporation	QZAB 2011A Capital improvements	\$ 385,090	3/24/2011	12/31/2025
Decatur County 2010 School Building Corporation	QZAB 2011B Capital improvements	385,090	3/24/2011	12/31/2025
Decatur County 2010 School Building Corporation	Series 2014 B SDHS Fieldhouse	78,500	5/14/2014	6/30/2033
Decatur County 2010 School Building Corporation	2010 QSCB Capital improvements	211,624	12/10/2010	6/30/2024
Decatur County 2010 School Building Corporation	QZAB 2011C Capital improvements	164,766	7/15/2011	6/30/2027
Decatur County 2010 School Building Corporation	Series 2011D Capital improvements	75,000	10/13/2011	1/15/2031
Decatur County 2010 School Building Corporation	Series 2011E Capital improvements	75,000	10/13/2011	1/15/2031
Decatur County 2010 School Building Corporation	Series 2014 A NDHS Fieldhouse	<u>78,500</u>	5/14/2014	6/30/2033
Total governmental activities		<u>1,453,570</u>		
Total of annual lease payments		<u>\$ 1,453,570</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	Pension Bond	\$ 217,042
Totals		<u>\$ 217,042</u>

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2018

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

	<u>Ending Balance</u>
Governmental activities:	
Infrastructure	\$ 758,379
Buildings	22,245,136
Improvements other than buildings	2,777,123
Machinery, equipment, and vehicles	<u>8,473,523</u>
Total governmental activities	<u>34,254,161</u>
Total capital assets	<u>\$ 34,254,161</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 DECATUR COUNTY COMMUNITY  
SCHOOLS, DECATUR COUNTY, INDIANA

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

We have audited the Decatur County Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

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

**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 and 2018-005. 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, and 2018-005, that we consider to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

March 28, 2019

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

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

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DECATUR COUNTY COMMUNITY SCHOOLS  
 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
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 16-17	\$ -	\$ 134,170	\$ -	\$ -
School Breakfast Program			FY 17-18	-	-	-	139,884
Total - School Breakfast Program				-	134,170	-	139,884
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY 16-17	-	466,693	-	-
Commodities			FY 17-18	-	-	-	503,953
Commodities			FY 16-17	-	87,316	-	-
Commodities			FY 17-18	-	-	-	90,244
Total - National School Lunch Program				-	554,009	-	594,197
Total - Child Nutrition Cluster				-	688,179	-	734,081
Total - Department of Agriculture				-	688,179	-	734,081
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
IDEA 2015-2016	Indiana Department of Education	84.027	14216-003-PN01	-	108,554	-	-
IDEA 16-17			14217-003-PN01	-	316,987	-	179,080
IDEA 17-18			18611-143-PN01	-	-	-	344,364
Total - Special Education Grants to States				-	425,541	-	523,444
Special Education Preschool Grants							
IDEA 15-16 Preschool	Indiana Department of Education	84.173	45716-003-PN01	-	3,375	-	-
IDEA 16-17 Preschool			45717-003-PN01	-	-	-	17,088
Total - Special Education Preschool Grants				-	3,375	-	17,088
Total - Special Education Cluster (IDEA)				-	428,916	-	540,532
Title I Grants to Local Educational Agencies							
Title I 2015-2016	Indiana Department of Education	84.010	16-1655	-	35,662	-	-
Title I 2016-2017			17-1655	-	208,692	-	26,643
Title I 2017-2018			18-1655	-	-	-	242,259
Total - Title I Grants to Local Educational Agencies				-	244,354	-	268,902
English Language Acquisition State Grants							
Title III Limited English Proficient 6880	Lawrenceburg Community Schools	84.365	01112-107-PN01	-	1,105	-	-
Mathematics and Science Partnerships							
STEM Works!	Bartholomew Consolidated School Corporation	84.366	62620/571200	-	3,649	-	-
Supporting Effective Instruction State Grants							
Title IIA 2015-2016	Indiana Department of Education	84.367	S367A150015	-	45,604	-	-
Title II A 2016-2017			S367A160013	-	14,312	-	62,112
Title IIA 2017-2018			S367A170013	-	-	-	21,123
Total - Supporting Effective Instruction State Grants				-	59,916	-	83,235
Total - Department of Education				-	737,940	-	892,669
Total federal awards expended				\$ -	\$ 1,426,119	\$ -	\$ 1,626,750

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

DECATUR COUNTY COMMUNITY SCHOOLS  
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.

DECATUR COUNTY COMMUNITY SCHOOLS  
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 deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	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 - Self-Insurance Fund  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-001.

*Condition*

Management of the School Corporation had not established an internal control system related to financial transactions and reporting for the activity of their Self-Insurance fund.

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation utilized a third-party administrator to administer the Decatur County Community Schools employee benefits (Self-Insurance fund). The administrator provided the School Corporation with a reconciliation worksheet showing the monthly income (receipts), expenditures (disbursements), and ending cash balances. The School Corporation did not include the receipts or the disbursements in the Self-Insurance fund on the financial statement.

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

Effective January 1, 2019, the Self-Insurance fund will be considered a trust and will no longer be incorporated in the financial statement of the School Corporation.

*Context*

The lack of controls and noncompliance were systemic issues, 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. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

*Cause*

Management of the School Corporation had not established an effective system of internal control to ensure proper reporting of the receipts, disbursements, and cash balances of the Self-Insurance fund.

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective control system enabled misstatements to occur and remain undetected.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting. We also recommended that the Self-Insurance fund be properly reported on the School Corporation's financial statement.

*Views of Responsible Officials*

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

**FINDING 2018-002**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Condition*

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

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to electronic transaction receipts and adjustments.

*Receipts - Electronic Transactions*

The Business Manager was primarily responsible for posting electronic transaction receipts. There was no documentation of an oversight, review, or approval process to ensure the receipts were properly posted to the records.

*Adjustments*

Adjustments were made to correct posting errors primarily by the Business Manager without a system of oversight, review, or approval. Additionally, there were no policies, procedures, or controls in place to ensure the proper documentation of adjustments.

2. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial transactions and reporting require the School Corporation to monitor and assess the quality of the system of internal control.

*Context*

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

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal control over financial transactions and reporting related to electronic transaction receipts, adjustments, and the monitoring of controls.

*Effect*

The failure to establish an effective system of internal controls could have enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not be designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

*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.

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 - Cash Management  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 16-17, FY 17-18  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-008.

*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 grant agreement and Cash Management compliance requirement.

One employee was responsible for calculating the three month average expenditures for the Child Nutrition Program without any evidence of an independent oversight, review, or approval process to ensure the accuracy of the calculation.

*Context*

The lack of internal controls was a systemic issue 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). . . ."

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management 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 Cash Management compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2018-004**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
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): FY 16-17, FY 17-18  
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 2016-006.

*Condition*

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

*Procurement*

The School Corporation had not implemented a system of internal controls or adopted a policy to ensure compliance with procurement requirements. There was no evidence of an oversight, review, or approval process to ensure compliance with the Uniform Guidance requirements.

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation did not revise their existing purchasing policy in conformance with procurement requirements. These standards included micro-purchases, small purchases, and other purchases including those with sole source vendors. The School Corporation did not have written standards covering conflicts of interest governing the performance of its employees engaged in the selection, award, and administration of contracts. Additionally, the School Corporation did not have a policy to maintain, and did not maintain, the history of its procurements.

*Suspension and Debarment*

The School Corporation did verify whether vendors were suspended or debarred; however, this was done after entering into a covered transaction. There was no evidence of an oversight, review, or approval process by the School Corporation to ensure that a vendor was not suspended or debarred prior to entering into a covered transaction.

*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). . . ."

2 CFR 200.318(a) states: "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."

2 CFR 200.318(c) states:

"(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

- (2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization."

2 CFR 200.318(i) states:

"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 \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). 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."

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 180.300 states:

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

You do this by:

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system enabled noncompliance 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.

**FINDING 2018-005**

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): 14216-003-PN01, 14217-003-PN01,  
18611-143-PN01, 45716-003-PN01,  
45717-003-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-005.

*Condition*

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

*Procurement*

The School Corporation had not established an effective internal control system to ensure that the purchasing method used complied with procurement requirements. The School Corporation did not obtain price or rate quotations from an adequate number of sources for purchases of goods or services exceeding \$3,500.

*Suspension and Debarment*

The School Corporation had not established an effective internal control system to ensure vendors were not suspended or debarred from participation in federal programs. The School Corporation did not perform any procedures to verify that vendors were not suspended or debarred from participation in federal programs before entering into a covered transaction.

*Context*

The lack of controls and the noncompliance were systemic issues, which 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). . . ."

2 CFR 200.320 states in part:

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

(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. . . ."

DECATUR COUNTY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 180.300 states:

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

You do this by:

- (a) Checking the 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*

The School Corporation's management had not developed 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 enabled noncompliance 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.

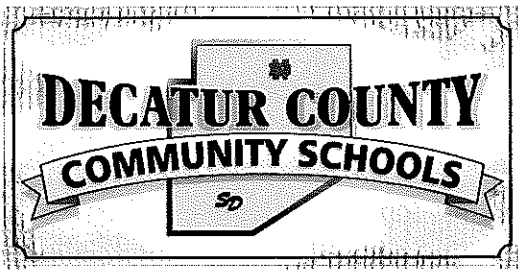
*Views of Responsible Officials*

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.



2020 N. Montgomery Road  
Greensburg, IN 47240  
PHONE: (812) 663-4595  
www.decaturco.k12.in.us

## Summary Schedule of Prior Audit Findings

### FINDING 2016-001

Fiscal year in which the finding initially occurred: 14-15  
Contact Person Responsible for Corrective Action: Louise Smith, Business Manager  
Contact Phone number: 812-663-4595

Status of Audit Finding: Corrected

Corrective action was taken to include self-insurance receipts, disbursement and fund balance in our December 31, 2018 Form 9 submission. This will ensure that these funds are included on our financial statements. The Third Party Administrator has also submitted the necessary forms to change the self-insurance fund to a Trust effective January 1, 2019. When approved by the IRS, and the fund is changed to a Trust, we will no longer be required to include funds held by the TPA on our financial statements. We now have a copy of the Trust document.

### FINDING 2016-002, 2016-003

Fiscal year in which the finding initially occurred: 15-16  
Pass-Through Entity: Indiana Department Of Education  
Contact Person Responsible for Corrective Action: Louise Smith, Business Manager and Debbie Reynolds, Director of Learning  
Contact Phone number: 812-663-4595

Status of Audit Finding: Corrective action in process

As the required Comparability Report is completed by the Title I Director annually, it will be reviewed by the Business Manager, with this review being documented on the form. In addition, when Assessment training is completed, those being trained will sign the required form and these forms will be maintained for auditor review.

#### Administration

##### **Superintendent**

Jarrod Burns, Ph.D.

##### **Business Manager**

Weedie Smith

##### **Director of Learning**

Debbie Reynolds

##### **Director of Special Ed.**

Nick Flowers

##### **Director of Transportation**

Kathy Land

##### **Director of Food Service**

Jeni Niese

##### **Deputy Treasurer**

Kathy Wiggins

##### **Bookkeeper**

Amy Hacker

#### Board of School Trustees

Todd Mauer

Joyce Geis

Lizette Bell

Chris Owens

Steve AmRhein

Tim Roscoe

Matt Hoeing

FINDING 2016-004

Fiscal year in which the finding initially occurred: 14-15  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Louise Smith, Business Manager and Jennifer Niese, Data Manager/Food Service Director  
Contact Phone number: 812-663-4595

Status of Audit Finding: CORRECTED

This finding was an isolated incident when our Data Manager was new to her position. She quickly learned that incorrect files submitted must be deleted. This finding has been corrected.

FINDING 2016-005

Fiscal year in which the finding initially occurred: 14-15  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Louise Smith, Business Manager and Jennifer Niese, Data Manager/Food Service Director  
Contact Phone number: 812-663-4595

Status of Audit Finding: CORRECTED

Our Food Service Director runs vendors through the SAM system on a quarterly basis to ensure they are not on the Suspension and Debarment list. Due to discussion during a subsequent audit, we have learned that vendors that have a potential of having purchases over \$25,000 should be checked prior to ordering. We will institute this practice starting March, 2019. The list of vendors checked is reviewed by the Business Manager and maintained for auditor review. All parties involved in purchasing are now aware of this requirement.

FINDING 2016-006

Fiscal year in which the finding initially occurred: 15-16  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Louise Smith, Business Manager and Jennifer Niese, Data Manager/Food Service Director  
Contact Phone number: 812-663-4595

Status of Audit Finding: CORRECTED

The Procurement policy was approved by the DCCS school board on November 14, 2018. We are following these procurement policies since that time.

FINDING 2016-007

Fiscal year in which the finding initially occurred: 14-15  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Louise Smith, Business  
Manager  
Contact Phone number: 812-663-4595

Status of Audit Finding: CORRECTED

Asset purchases over \$5,000 have been added to the asset ledger. We have started reviewing asset purchases on a semi- annual basis to ensure any purchases over \$5,000 are recorded in the asset ledger. This review is documented for auditor review. In addition, asset tags will be used for all equipment purchased with school lunch funds.

FINDING 2016-008

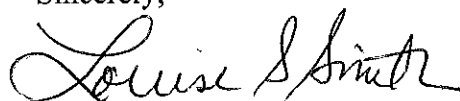
Fiscal Year in which the finding initially occurred: 13-14  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Louise Smith, Business  
Manager and Jennifer Niese, Data Manager and Food Service Director  
Contact Phone number: 812-663-4595

Status of Audit Finding: CORRECTED

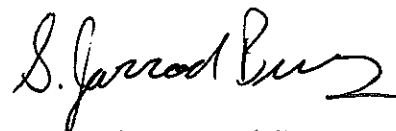
The Food Service Director prepares a spreadsheet monthly recording the school lunch fund balances for each of the four schools and the central office. This spreadsheet is reviewed monthly by the Business Manager and compared to the calculated three (3) month average expenditures for the previous school year. This review is documented and retained for auditor review.

If there are any questions, my contact information is listed below.

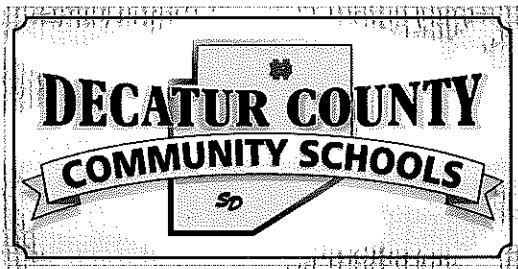
Sincerely,



Louise S. Smith  
Business Manager  
812-663-4595, Ext 5003  
[wsmith@decaturco.k12.in.us](mailto:wsmith@decaturco.k12.in.us)



S. Jarrod Burns, Ed. D  
Superintendent  
812-663-4595, Ext. 5001  
[jburns@decaturco.k12.in.us](mailto:jburns@decaturco.k12.in.us)



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## CORRECTIVE ACTION PLAN

### FINDING 2018-001

Contact Person Responsible for Corrective Action: Louise Smith, Business Manager  
Contact Phone number: 812-663-4595

Views of Responsible Official: We received our final audit report for the 14-16 audit period on January 7, 2019, after the period being audited in this report. The recommendations relating to the self-insurance fund were corrected when reported in the 14-16 audit report. Detail is listed below:

Description of Corrective Action Plan: Corrective action was taken to include self-insurance receipts, disbursement and fund balance in our December 31, 2018 Form 9 submission. This will ensure that these funds are included on our financial statements. The Third Party Administrator has also submitted the necessary forms to change the self-insurance fund to a Trust effective January 1, 2019. When approved by the IRS, and the fund is changed to a Trust, we will no longer be required to include funds held by the TPA on our financial statements. We now have a copy of the Trust document.

Regarding internal controls, we have started the process of writing and implementing internal controls, however, they are not complete and adequate at this time. Management will write and implement a system of internal controls relating to financial transactions, with completion targeted for December 31, 2019.

#### Administration

##### **Superintendent**

Jarrod Burns, Ph.D.

##### **Business Manager**

Weedie Smith

##### **Director of Learning**

Debbie Reynolds

##### **Director of Special Ed.**

Nick Flowers

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Kathy Land

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Amy Hacker

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Chris Owens

Steve AmRhein

Tim Roscoe

Matt Hoeing

FINDING 2018-002

Contact Person Responsible for Corrective Action: Louise Smith, Business Manager; Kathy Land, Executive Secretary/Transportation Director; Nicholas Flowers, Director of Special Education  
Contact Phone number: 812-663-4595

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Segregation of Duties: The monthly bank statement is reviewed by our Executive Secretary/Transportation Director. Detail of various transactions, including electronic deposits, will be provided to this reviewer to verify correctness. Adjustments will be reviewed/approved by the Director of Special Education. This process will start in March, 2019.

Regarding internal controls, we have started the process of writing and implementing internal controls, however, they are not complete and adequate at this time. Management will write and implement a system of internal controls relating to financial transactions, with completion targeted for December 31, 2019.

FINDING 2018-003

Contact Person Responsible for Corrective Action: Louise Smith, Business Manager and Jennifer Niese, Data Manager and Food Service Director  
Contact Phone number: 812-663-4595

Views of Responsible Official: We received our final audit report for the 14-16 audit period on January 7, 2019, after the period being audited in this report. The recommendations relating to Child Nutrition were corrected when reported in the 14-16 audit report. Detail is listed below:

Description of Corrective Action Plan: As a result of our 14-16 audit discussion, starting in October, 2018, the Food Service Director prepares a spreadsheet monthly recording the school lunch fund balances for each of the four schools and the central office. This spreadsheet is reviewed monthly by the Business Manager and compared to the calculated three (3) month average expenditures for the previous school year. This review is documented and retained for auditor review.

FINDING 2018-004, FINDING 2018-005

Contact Person Responsible for Corrective Action: Louise Smith, Business Manager; Jennifer Niese, Data Manager/Food Service Director and Nicholas Flowers, Director of Special Education  
Contact Phone number: 812-663-4595

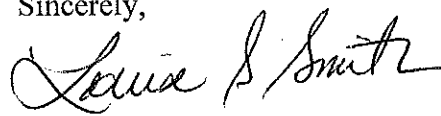
Views of Responsible Official: We received our final audit report for the 14-16 audit period on January 7, 2019, after the period being audited in this report. Some of the recommendations relating to procurement have been corrected. Detail is listed below:


We currently contract with NEOLA for corporate policy updates. It appears this section was missed when it was to be approved in 2016. The required Procurement policy was approved by the DCCS school board on November 14, 2018.

Description of Corrective Action Plan: We have implemented procurement policies since that time; however, they were not in place during the audit period. The food service director is responsible for contacting potential vendors when small purchases are needed. Awards are granted with price having the highest weight and with all documentation being kept by the food service director for audit review. Invitation for Bids (IFB) are done when procuring milk and bread yearly. These are advertised 2 times in the paper with sealed bids being opened by the Business Manager and the Food Service Director and again with price being weighed the highest.

Our Food Service Director runs vendors through the SAM system on a quarterly basis to ensure they are not on the Suspension and Debarment list. Due to discussion during this audit, we have learned that vendors that have a potential of having purchases over \$25,000 should be checked prior to ordering. We will institute this practice starting March, 2019. The list of vendors checked is reviewed by the Business Manager and maintained for auditor review. All parties involved in purchasing are now aware of this requirement.

If there are any questions, my contact information is listed below.

Sincerely,  
  
Louise S. Smith  
Business Manager  
812-663-4595, Ext 5003  
[wsmith@decaturco.k12.in.us](mailto:wsmith@decaturco.k12.in.us)

  
S. Jarrod Burns, Ed. D  
Superintendent  
812-663-4595, Ext. 5001  
[jburns@decaturco.k12.in.us](mailto:jburns@decaturco.k12.in.us)

#### 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/>.