

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION
HUNTINGTON COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
04/24/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edette L. Eckert	01-01-16 to 12-31-19
Superintendent of Schools	J. Randell Harris	07-01-16 to 06-30-19
President of the School Board	Scott R. Hoffman Mathew J. Roth	01-01-16 to 12-31-16 01-01-17 to 12-31-19



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 1, 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

April 1, 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 HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION, HUNTINGTON 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 Huntington County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated April 1, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

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

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

April 1, 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.

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

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 4,372,074	\$ 34,251,219	\$ 34,914,330	\$ -	\$ 3,708,963	\$ 34,059,250	\$ 34,620,604	\$ (19,463)	\$ 3,128,146
Debt Service	2,861,908	4,981,103	7,181,131	-	661,880	5,900,861	5,082,649	-	1,480,092
Capital Projects	2,993,253	4,133,445	2,926,192	-	4,200,506	3,875,072	3,793,148	-	4,282,430
School Transportation	2,353,596	3,750,925	3,531,695	-	2,572,826	3,617,505	3,561,992	120,240	2,748,579
School Bus Replacement	459,278	625,059	773,376	-	310,961	600,427	550,000	(120,240)	241,148
Rainy Day	123,886	-	-	-	123,886	-	-	-	123,886
Retirement/Severance Bond	273,182	-	-	-	273,182	-	-	-	273,182
Construction	1,470,588	-	495,953	-	974,635	-	953,489	-	21,146
Construction (2017 GOB)	-	-	-	-	-	-	300,092	4,835,977	4,535,885
2018 Construction - HNHS & RO	-	-	-	-	-	-	485,459	-	(485,459)
School Lunch	1,068,786	2,772,281	2,741,393	-	1,099,674	2,848,278	2,809,077	-	1,138,875
Textbook Rental	304,836	971,837	1,216,527	-	60,146	816,502	551,325	180,619	505,942
Levy Excess	3,349	-	-	-	3,349	-	-	-	3,349
Educational License Plates	394	150	-	-	544	150	-	-	694
Alternative Education	90,907	15,332	43,297	-	62,942	11,513	66,879	-	7,576
Early Intervention Grant	-	26,851	26,400	-	451	25,510	451	-	25,510
Lilly Grant	-	50,000	26,382	-	23,618	3,600	27,218	-	-
Donations/Mini Grant	2,280	132	55	-	2,357	-	-	-	2,357
Classroom Donation Target Grant	135	-	-	-	135	-	-	(135)	-
CF Industries Donation	4,541	3,291	3,725	-	4,107	-	59	-	4,048
Purdy Grant	126	-	-	-	126	-	-	-	126
PSI IOTA XI Sorority	2,013	2,075	1,478	-	2,610	1,603	1,110	-	3,103
Lowe's Education Grant	5,000	-	5,000	-	-	-	-	-	-
Indianapolis Colts Foundation	300	-	-	-	300	-	-	(300)	-
Knights of Columbus Grant	88	-	-	-	88	-	-	-	88
Evergreen Donation	78	-	-	-	78	-	-	-	78
Clearing Account - Technology	-	86,616	3,612	-	83,004	-	49,366	-	33,638
United Way	4,443	1,500	5,313	-	630	-	-	-	630
Duke Energy Grant	-	24,996	7,980	-	17,016	-	16,532	-	484
Clearing Account	-	-	-	-	-	169	169	-	-
Department of Health/Jump Ropes	349	-	-	-	349	-	-	(349)	-
The Bookworm	1,208	37	-	-	1,245	7	-	-	1,252
Huntington University Baseball	201	-	-	-	201	-	-	-	201
Classroom Ed Grant	274	-	-	-	274	-	-	-	274
NASP Donation	90	-	-	-	90	-	-	-	90
Scholarships and Awards	8,391	10	-	-	8,401	11	-	-	8,412
Mary Cecil Scholarship Fund	19,833	-	-	-	19,833	-	-	-	19,833
The Learning Center	356,542	180,000	111,927	-	424,615	180,000	23,481	-	581,134
Area 18 - 2016-17 Perkins Grant	-	41,436	41,436	-	-	804	866	-	(62)
Area 18 - 2017-18 Perkins Grant	-	-	-	-	-	44,043	44,043	-	-
Coca-Cola Fund	445	1,000	3,076	-	(1,631)	25,200	78	-	23,491
Huntington City Cmty Foundation	832	4,126	3,720	-	1,238	12,283	10,723	-	2,798
Ecolab Grant I	410	-	426	-	(16)	-	-	-	(16)
Ecolab Grant II	781	-	894	-	(113)	-	-	-	(113)
Ecolab Grants - June 2010	2,689	-	2,144	-	545	-	-	-	545
Ecolab Grants - June 2011	7,322	-	7,530	-	(208)	-	-	-	(208)
Ecolab Grants - June 2012	3,673	-	1,621	-	2,052	-	-	-	2,052
Ecolab Grants - June 2013	5,768	-	5,476	-	292	-	-	-	292
Ecolab Grants - June 2014	4,975	-	1,209	-	3,766	-	481	-	3,285
Ecolab - June 2015	206	-	283	-	(77)	-	-	-	(77)
Ecolab - 2016	-	34,000	31,496	-	2,504	-	633	-	1,871
Ecolab - 2017	-	-	-	-	-	37,000	31,234	-	5,766
Formative Assessment	15,444	65,763	81,207	-	-	51,265	16,847	-	34,418

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments	
	07-01-16	Receipts	Disbursements		06-30-17	Receipts	Disbursements		06-30-18	
Special Education Excess Costs	-	58,770	45,660	-	13,110	7,866	20,976	-	-	
High Ability 2015-2016	13,582	-	13,609	-	(27)	-	-	27	-	
High Ability 2016-2017	-	46,864	36,757	-	10,107	-	10,107	-	-	
High Ability 2017-2018	-	-	-	-	-	46,460	41,704	-	4,756	
Medicaid Reimbursement	-	-	-	-	-	84,060	2,132	-	81,928	
Secured Schools Safety Grant	(43,682)	43,693	19,471	-	(19,460)	34,279	14,808	-	11	
NESP Grant 2015-2016	5,073	-	5,091	-	(18)	-	-	18	-	
NESP Grant 2016-2017	-	5,125	111	-	5,014	-	5,015	1	-	
NESP Grant 2017-2018	-	-	-	-	-	6,000	910	-	5,090	
School Technology	49,891	156,181	30,516	-	175,556	95,237	-	-	270,793	
State Connectivity "Technology"	27,252	8,468	-	-	35,720	11,010	-	-	46,730	
EBAY - Technology	147	-	-	-	147	-	-	-	147	
Viking New Tech - VNT	1,750	-	-	-	1,750	-	655	-	1,095	
Schwab - Navigation 101 - NT	1,510	-	-	-	1,510	-	-	-	1,510	
Schwab - Navigation 101	5,912	-	678	-	5,234	-	1,040	-	4,194	
Career and Technical Performance Grant	-	29,496	1,000	-	28,496	49,005	27,492	-	50,009	
Performance Based Awards	-	-	-	-	-	151,974	151,997	-	(23)	
Excellence in Perf Award - 2017	-	-	-	-	-	66,096	66,096	-	-	
New Tech-Univ. of Indy-Cell	16	-	-	-	16	-	-	-	16	
Talent Initiative "Cmnty Found"	12,941	-	-	-	12,941	-	-	-	12,941	
Horace Mann Preschool	9,146	19,625	-	-	28,771	29,826	9,138	-	49,459	
Vectren Utility	1,851	-	-	-	1,851	-	-	-	1,851	
School Improvement Grant 2015-16	(1,579)	20,000	18,393	-	28	-	-	-	28	
School Improvement Grant 2016-17	-	-	20,375	-	(20,375)	83,589	63,238	24	-	
School Improvement Grant 2017-18	-	-	-	-	-	-	36,423	-	(36,423)	
Title I - 2013-2014 Grant	1	-	-	-	1	-	-	(1)	-	
Title I - 2015-2016 Grant	(71,068)	262,900	191,833	-	(1)	-	-	1	-	
Title I - 2016-2017 Grant	-	572,852	648,165	-	(75,313)	280,422	205,206	-	(97)	
Title I - 2017-2018 Grant	-	-	-	-	-	544,613	609,451	-	(64,838)	
IDEA - Part B - FY15	(7,910)	24,816	16,906	-	-	-	-	-	-	
IDEA - Part B - FY16	(99,370)	283,331	188,725	-	(4,764)	18,494	13,730	-	-	
IDEA - Part B - FY17	-	920,982	1,001,793	-	(80,811)	269,687	228,023	19,766	(19,381)	
IDEA - Part B - FY18	-	-	-	-	-	891,306	973,521	-	(82,215)	
IDEA Part B - Preschool - 11-12	(382)	-	-	-	(382)	-	-	382	-	
IDEA Part B - Prschl 2014-2015	(2,524)	6,875	4,351	-	-	-	-	-	-	
IDEA Part B - Prschl 2015-2016	(3,530)	9,072	5,542	-	-	-	-	-	-	
IDEA Part B - Prschl 2016-2017	-	34,095	37,394	-	(3,299)	12,511	9,212	-	-	
IDEA Part B - Prschl 2017-2018	-	-	-	-	-	36,353	42,399	-	(6,046)	
Vocational and Technology Board Grants	-	3,200	3,200	-	-	-	-	-	-	
Medicaid Reimbursement - Federal	6,228	-	-	-	6,228	-	-	-	6,228	
Other Federal Programs	4,142	-	-	-	4,142	-	-	-	4,142	
ABLES Grant 2014-15	(8,397)	18,661	10,264	-	-	-	-	-	-	
Title II Part A - 2013-2014	(29)	-	-	-	(29)	-	-	29	-	
Title II Part A - 2014-2015	(23,689)	65,557	41,868	-	-	-	-	-	-	
Title II Part A - FFY15	-	134,378	158,101	-	(23,723)	54,515	30,792	-	-	
Title II Part A - FFY16	-	-	-	-	-	121,879	135,250	-	(13,371)	
School Lunch - Prepaid Food	-	-	-	-	-	677,044	645,827	-	31,217	
Clearing Funds	328,348	17,390,472	17,388,292	-	330,528	18,086,595	18,101,782	-	315,341	
Totals	\$ 17,030,104	\$ 72,138,597	\$ 74,084,379	\$ -	\$ 15,084,322	\$ 73,769,874	\$ 74,444,929	\$ 5,016,596	\$ 19,425,863	

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, self-insurance payments, and other disbursements not listed in another category above.

F. Other Financing Sources and Uses

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

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

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Negative balances in grant funds are due primarily to the time lapse between when expenditures are made by the School Corporation and when reimbursements are received from the granting agency. The Coca-Cola Fund's deficit balance at June 30, 2017, is due to Coca-Cola products being purchased for resale prior to receiving rebates and resale revenues. The 2018 Construction - HNHS & RO fund's deficit balance at June 30, 2018, is due to construction project expenses being paid prior to collecting debt proceeds.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Huntington Countywide School Building Corporation (the lessor) issued through Wells Fargo Bank. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2017 and 2018 totaled \$555,000 and \$1,109,000, respectively.

The School Corporation has entered into a capital lease with Huntington Countywide School Building Corporation II (the lessor) issued through U.S. Bank. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2017 and 2018 totaled \$4,749,000 and \$2,844,500, respectively.

Note 9. Employee Benefit Trust

On May 8, 1995, the School Board created the Huntington County Community School Corporation Benefit Trust (Trust), a legally separate entity, for the purpose of providing a medium for funding and administration of plans for the benefit of employees. The School Corporation makes payments to the Trust from all funds with payroll. Prior financial statements prepared in conformity with accounting principles generally accepted in the United States of America included the financial information of the Trust as a private-purpose trust fund. The accompanying financial statement, prepared on the regulatory basis, does not include the financial information of the Trust. Separate financial statements are prepared for the Trust and are audited by other auditors. That report may be obtained by contacting:

Huntington County Community School Corporation
1063 E 900 S
Warren, IN 46792
Ph. (260)-356-8312

Note 10. Subsequent Events

On November 15, 2018, the School Corporation agreed to a lease with the Huntington Countywide School Building Corporation for the construction of a new elementary school and renovations to Huntington North High School, totaling \$39,955,000.

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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.

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Construction (2017 GOB)
Cash and investments - beginning	\$ 4,372,074	\$ 2,861,908	\$ 2,993,253	\$ 2,353,596	\$ 459,278	\$ 123,886	\$ 273,182	\$ 1,470,588	\$ -
Receipts:									
Local sources	125,534	4,981,103	4,060,302	3,747,473	625,059	-	-	-	-
Intermediate sources	187	-	-	-	-	-	-	-	-
State sources	34,070,794	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	54,704	-	73,143	3,452	-	-	-	-	-
Total receipts	34,251,219	4,981,103	4,133,445	3,750,925	625,059	-	-	-	-
Disbursements:									
Instruction	22,753,167	-	-	-	-	-	-	-	-
Support services	11,358,717	83,288	1,933,866	3,531,695	773,376	-	-	-	-
Noninstructional services	537,107	-	-	-	-	-	-	-	-
Facilities acquisition and construction	265,339	-	992,326	-	-	-	-	495,953	-
Debt service	-	7,097,843	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	34,914,330	7,181,131	2,926,192	3,531,695	773,376	-	-	495,953	-
Excess (deficiency) of receipts over disbursements	(663,111)	(2,200,028)	1,207,253	219,230	(148,317)	-	-	(495,953)	-
Cash and investments - ending	\$ 3,708,963	\$ 661,880	\$ 4,200,506	\$ 2,572,826	\$ 310,961	\$ 123,886	\$ 273,182	\$ 974,635	\$ -

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

	2018 Construction - HNHS & RO	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Lilly Grant	Donations/ Mini Grant
Cash and investments - beginning	\$ -	\$ 1,068,786	\$ 304,836	\$ 3,349	\$ 394	\$ 90,907	\$ -	\$ -	\$ 2,280
Receipts:									
Local sources	-	1,264,743	705,475	-	-	-	-	50,000	132
Intermediate sources	-	-	-	-	150	-	-	-	-
State sources	-	28,045	266,362	-	-	15,332	26,851	-	-
Federal sources	-	1,479,493	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	2,772,281	971,837	-	150	15,332	26,851	50,000	132
Disbursements:									
Instruction	-	-	-	-	-	43,297	-	-	55
Support services	-	27,462	1,216,527	-	-	-	26,400	26,382	-
Noninstructional services	-	2,645,816	-	-	-	-	-	-	-
Facilities acquisition and construction	-	68,115	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,741,393	1,216,527	-	-	43,297	26,400	26,382	55
Excess (deficiency) of receipts over disbursements	-	30,888	(244,690)	-	150	(27,965)	451	23,618	77
Cash and investments - ending	\$ -	\$ 1,099,674	\$ 60,146	\$ 3,349	\$ 544	\$ 62,942	\$ 451	\$ 23,618	\$ 2,357

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

	Classroom Donation Target Grant	CF Industries Donation	Purdy Grant	PSI IOTA XI Sorority	Lowe's Education Grant	Indianapolis Colts Foundation	Knights of Columbus Grant	Evergreen Donation	Clearing Account - Technology
Cash and investments - beginning	\$ 135	\$ 4,541	\$ 126	\$ 2,013	\$ 5,000	\$ 300	\$ 88	\$ 78	\$ -
Receipts:									
Local sources	-	3,291	-	2,075	-	-	-	-	86,616
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	3,291	-	2,075	-	-	-	-	86,616
Disbursements:									
Instruction	-	3,725	-	1,478	5,000	-	-	-	-
Support services	-	-	-	-	-	-	-	-	3,612
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,725	-	1,478	5,000	-	-	-	3,612
Excess (deficiency) of receipts over disbursements	-	(434)	-	597	(5,000)	-	-	-	83,004
Cash and investments - ending	\$ 135	\$ 4,107	\$ 126	\$ 2,610	\$ -	\$ 300	\$ 88	\$ 78	\$ 83,004

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

	United Way	Duke Energy Grant	Clearing Account	Department of Health/ Jump Ropes	The Bookworm	Huntington University Baseball	Classroom Ed Grant	NASP Donation	Scholarships and Awards
Cash and investments - beginning	\$ 4,443	\$ -	\$ -	\$ 349	\$ 1,208	\$ 201	\$ 274	\$ 90	\$ 8,391
Receipts:									
Local sources	1,500	24,996	-	-	37	-	-	-	10
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,500	24,996	-	-	37	-	-	-	10
Disbursements:									
Instruction	5,313	-	-	-	-	-	-	-	-
Support services	-	7,980	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,313	7,980	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(3,813)	17,016	-	-	37	-	-	-	10
Cash and investments - ending	\$ 630	\$ 17,016	\$ -	\$ 349	\$ 1,245	\$ 201	\$ 274	\$ 90	\$ 8,401

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

	Mary Cecil Scholarship Fund	The Learning Center	Area 18 - 2016-17 Perkins Grant	Area 18 - 2017-18 Perkins Grant	Coca-Cola Fund	Huntington City Cmty Foundation	Ecolab Grant I	Ecolab Grant II	Ecolab Grants - June 2010
Cash and investments - beginning	\$ 19,833	\$ 356,542	\$ -	\$ -	\$ 445	\$ 832	\$ 410	\$ 781	\$ 2,689
Receipts:									
Local sources	-	-	-	-	-	4,126	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	180,000	41,436	-	1,000	-	-	-	-
Total receipts	-	180,000	41,436	-	1,000	4,126	-	-	-
Disbursements:									
Instruction	-	-	41,436	-	-	3,720	426	894	2,144
Support services	-	-	-	-	3,076	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	111,927	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	111,927	41,436	-	3,076	3,720	426	894	2,144
Excess (deficiency) of receipts over disbursements	-	68,073	-	-	(2,076)	406	(426)	(894)	(2,144)
Cash and investments - ending	\$ 19,833	\$ 424,615	\$ -	\$ -	\$ (1,631)	\$ 1,238	\$ (16)	\$ (113)	\$ 545

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

	Ecolab Grants - June 2011	Ecolab Grants - June 2012	Ecolab Grants - June 2013	Ecolab Grants - June 2014	Ecolab - June 2015	Ecolab - 2016	Ecolab - 2017	Formative Assessment	Special Education Excess Costs
Cash and investments - beginning	\$ 7,322	\$ 3,673	\$ 5,768	\$ 4,975	\$ 206	\$ -	\$ -	\$ 15,444	\$ -
Receipts:									
Local sources	-	-	-	-	-	34,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	65,763	58,770
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	34,000	-	65,763	58,770
Disbursements:									
Instruction	7,530	1,621	5,476	1,209	283	29,157	-	-	-
Support services	-	-	-	-	-	2,339	-	81,207	45,660
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	7,530	1,621	5,476	1,209	283	31,496	-	81,207	45,660
Excess (deficiency) of receipts over disbursements	(7,530)	(1,621)	(5,476)	(1,209)	(283)	2,504	-	(15,444)	13,110
Cash and investments - ending	\$ (208)	\$ 2,052	\$ 292	\$ 3,766	\$ (77)	\$ 2,504	\$ -	\$ -	\$ 13,110

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

	High Ability 2015-2016	High Ability 2016-2017	High Ability 2017-2018	Medicaid Reimbursement	Secured Schools Safety Grant	NESP Grant 2015-2016	NESP Grant 2016-2017	NESP Grant 2017-2018
Cash and investments - beginning	\$ 13,582	\$ -	\$ -	\$ -	\$ (43,682)	\$ 5,073	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	46,864	-	-	43,693	-	5,125	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	46,864	-	-	43,693	-	5,125	-
Disbursements:								
Instruction	13,609	36,757	-	-	-	47	-	-
Support services	-	-	-	-	19,471	4,368	70	-
Noninstructional services	-	-	-	-	-	676	41	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	13,609	36,757	-	-	19,471	5,091	111	-
Excess (deficiency) of receipts over disbursements	(13,609)	10,107	-	-	24,222	(5,091)	5,014	-
Cash and investments - ending	\$ (27)	\$ 10,107	\$ -	\$ -	\$ (19,460)	\$ (18)	\$ 5,014	\$ -

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

	School Technology	State Connectivity "Technology"	EBAY - Technology	Viking New Tech - VNT	Schwab - Navigation 101 - NT	Schwab - Navigation 101	Career and Technical Performance Grant	Performance Based Awards
Cash and investments - beginning	\$ 49,891	\$ 27,252	\$ 147	\$ 1,750	\$ 1,510	\$ 5,912	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	156,181	8,468	-	-	-	-	29,496	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>156,181</u>	<u>8,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,496</u>	<u>-</u>
Disbursements:								
Instruction	-	-	-	-	-	678	1,000	-
Support services	30,516	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>30,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>125,665</u>	<u>8,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(678)</u>	<u>28,496</u>	<u>-</u>
Cash and investments - ending	<u>\$ 175,556</u>	<u>\$ 35,720</u>	<u>\$ 147</u>	<u>\$ 1,750</u>	<u>\$ 1,510</u>	<u>\$ 5,234</u>	<u>\$ 28,496</u>	<u>\$ -</u>

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

	Excellence in Perf Award - 2017	New Tech- Univ. of Indy-Cell	Talent Initiative "Cmnty Found"	Horace Mann Preschool	Vectren Utility	School Improvement Grant 2015-16	School Improvement Grant 2016-17	School Improvement Grant 2017-18
Cash and investments - beginning	\$ -	\$ 16	\$ 12,941	\$ 9,146	\$ 1,851	\$ (1,579)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	19,625	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	20,000	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	19,625	-	20,000	-	-
Disbursements:								
Instruction	-	-	-	-	-	6,571	19,356	-
Support services	-	-	-	-	-	11,422	1,019	-
Noninstructional services	-	-	-	-	-	400	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	18,393	20,375	-
Excess (deficiency) of receipts over disbursements	-	-	-	19,625	-	1,607	(20,375)	-
Cash and investments - ending	\$ -	\$ 16	\$ 12,941	\$ 28,771	\$ 1,851	\$ 28	\$ (20,375)	\$ -

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

	Title I - 2013-2014 Grant	Title I - 2015-2016 Grant	Title I - 2016-2017 Grant	Title I - 2017-2018 Grant	IDEA - Part B - FY15	IDEA - Part B - FY16	IDEA - Part B - FY17	IDEA - Part B - FY18
Cash and investments - beginning	\$ 1	\$ (71,068)	\$ -	\$ -	\$ (7,910)	\$ (99,370)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	262,900	572,852	-	24,816	283,331	920,982	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	262,900	572,852	-	24,816	283,331	920,982	-
Disbursements:								
Instruction	-	166,701	564,053	-	-	77,389	553,676	-
Support services	-	21,918	78,339	-	16,906	111,336	448,117	-
Noninstructional services	-	3,214	5,773	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	191,833	648,165	-	16,906	188,725	1,001,793	-
Excess (deficiency) of receipts over disbursements	-	71,067	(75,313)	-	7,910	94,606	(80,811)	-
Cash and investments - ending	\$ 1	\$ (1)	\$ (75,313)	\$ -	\$ -	\$ (4,764)	\$ (80,811)	\$ -

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	IDEA Part B - Preschool - 11-12	IDEA Part B - Prschl 2014-2015	IDEA Part B - Prschl 2015-2016	IDEA Part B - Prschl 2016-2017	IDEA Part B - Prschl 2017-2018	Vocational and Technology Board Grants	Medicaid Reimbursement - Federal	Other Federal Programs
Cash and investments - beginning	\$ (382)	\$ (2,524)	\$ (3,530)	\$ -	\$ -	\$ -	\$ 6,228	\$ 4,142
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	6,875	9,072	34,095	-	3,200	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	6,875	9,072	34,095	-	3,200	-	-
Disbursements:								
Instruction	-	4,351	5,542	37,394	-	3,200	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	4,351	5,542	37,394	-	3,200	-	-
Excess (deficiency) of receipts over disbursements	-	2,524	3,530	(3,299)	-	-	-	-
Cash and investments - ending	\$ (382)	\$ -	\$ -	\$ (3,299)	\$ -	\$ -	\$ 6,228	\$ 4,142

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	ABLES Grant 2014-15	Title II Part A - 2013-2014	Title II Part A - 2014-2015	Title II Part A - FFY15	Title II Part A - FFY16	School Lunch - Prepaid Food	Clearing Funds	Totals
Cash and investments - beginning	\$ (8,397)	\$ (29)	\$ (23,689)	\$ -	\$ -	\$ -	\$ 328,348	\$ 17,030,104
Receipts:								
Local sources	-	-	-	-	-	-	-	15,736,097
Intermediate sources	-	-	-	-	-	-	-	337
State sources	-	-	-	-	-	-	-	34,821,744
Federal sources	18,661	-	65,557	134,378	-	-	-	3,836,212
Other receipts	-	-	-	-	-	-	17,390,472	17,744,207
Total receipts	18,661	-	65,557	134,378	-	-	17,390,472	72,138,597
Disbursements:								
Instruction	5,891	-	-	-	-	-	-	24,402,146
Support services	4,373	-	41,868	158,101	-	-	-	20,069,411
Noninstructional services	-	-	-	-	-	-	-	3,193,027
Facilities acquisition and construction	-	-	-	-	-	-	-	1,933,660
Debt service	-	-	-	-	-	-	-	7,097,843
Nonprogrammed charges	-	-	-	-	-	-	17,388,292	17,388,292
Total disbursements	10,264	-	41,868	158,101	-	-	17,388,292	74,084,379
Excess (deficiency) of receipts over disbursements	8,397	-	23,689	(23,723)	-	-	2,180	(1,945,782)
Cash and investments - ending	\$ -	\$ (29)	\$ -	\$ (23,723)	\$ -	\$ -	\$ 330,528	\$ 15,084,322

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Construction	Construction (2017 GOB)
Cash and investments - beginning	\$ 3,708,963	\$ 661,880	\$ 4,200,506	\$ 2,572,826	\$ 310,961	\$ 123,886	\$ 273,182	\$ 974,635	\$ -
Receipts:									
Local sources	176,893	5,900,861	3,770,493	3,611,064	600,427	-	-	-	-
Intermediate sources	201	-	-	-	-	-	-	-	-
State sources	33,821,931	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	60,225	-	104,579	6,441	-	-	-	-	-
Total receipts	34,059,250	5,900,861	3,875,072	3,617,505	600,427	-	-	-	-
Disbursements:									
Instruction	22,872,760	-	-	-	-	-	-	-	-
Support services	11,050,481	-	2,289,402	3,561,992	550,000	-	-	-	-
Noninstructional services	577,266	-	-	-	-	-	-	-	-
Facilities acquisition and construction	120,097	-	1,503,746	-	-	-	-	953,489	300,092
Debt service	-	5,082,649	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	34,620,604	5,082,649	3,793,148	3,561,992	550,000	-	-	953,489	300,092
Excess (deficiency) of receipts over disbursements	(561,354)	818,212	81,924	55,513	50,427	-	-	(953,489)	(300,092)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	4,835,977
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	783	-	-	120,240	-	-	-	-	-
Transfers out	(20,246)	-	-	-	(120,240)	-	-	-	-
Total other financing sources (uses)	(19,463)	-	-	120,240	(120,240)	-	-	-	4,835,977
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(580,817)	818,212	81,924	175,753	(69,813)	-	-	(953,489)	4,535,885
Cash and investments - ending	\$ 3,128,146	\$ 1,480,092	\$ 4,282,430	\$ 2,748,579	\$ 241,148	\$ 123,886	\$ 273,182	\$ 21,146	\$ 4,535,885

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	2018 Construction - HNHS & RO	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Lilly Grant	Donations/ Mini Grant
Cash and investments - beginning	\$ -	\$ 1,099,674	\$ 60,146	\$ 3,349	\$ 544	\$ 62,942	\$ 451	\$ 23,618	\$ 2,357
Receipts:									
Local sources	-	1,259,606	633,143	-	-	-	-	3,600	-
Intermediate sources	-	-	-	-	150	-	-	-	-
State sources	-	28,633	183,359	-	-	11,513	25,510	-	-
Federal sources	-	1,560,039	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	2,848,278	816,502	-	150	11,513	25,510	3,600	-
Disbursements:									
Instruction	-	-	-	-	-	66,879	-	-	-
Support services	-	104,994	551,325	-	-	-	451	27,218	-
Noninstructional services	-	2,635,014	-	-	-	-	-	-	-
Facilities acquisition and construction	485,459	69,069	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	485,459	2,809,077	551,325	-	-	66,879	451	27,218	-
Excess (deficiency) of receipts over disbursements	(485,459)	39,201	265,177	-	150	(55,366)	25,059	(23,618)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	180,619	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	180,619	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(485,459)	39,201	445,796	-	150	(55,366)	25,059	(23,618)	-
Cash and investments - ending	\$ (485,459)	\$ 1,138,875	\$ 505,942	\$ 3,349	\$ 694	\$ 7,576	\$ 25,510	\$ -	\$ 2,357

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	Classroom Donation Target Grant	CF Industries Donation	Purdy Grant	PSI IOTA XI Sorority	Lowe's Education Grant	Indianapolis Colts Foundation	Knights of Columbus Grant	Evergreen Donation	Clearing Account - Technology
Cash and investments - beginning	\$ 135	\$ 4,107	\$ 126	\$ 2,610	\$ -	\$ 300	\$ 88	\$ 78	\$ 83,004
Receipts:									
Local sources	-	-	-	1,603	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,603	-	-	-	-	-
Disbursements:									
Instruction	-	59	-	1,110	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	49,366
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	59	-	1,110	-	-	-	-	49,366
Excess (deficiency) of receipts over disbursements	-	(59)	-	493	-	-	-	-	(49,366)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(135)	-	-	-	-	(300)	-	-	-
Total other financing sources (uses)	(135)	-	-	-	-	(300)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(135)	(59)	-	493	-	(300)	-	-	(49,366)
Cash and investments - ending	\$ -	\$ 4,048	\$ 126	\$ 3,103	\$ -	\$ -	\$ 88	\$ 78	\$ 33,638

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	United Way	Duke Energy Grant	Clearing Account	Department of Health/ Jump Ropes	The Bookworm	Huntington University Baseball	Classroom Ed Grant	NASP Donation	Scholarships and Awards
Cash and investments - beginning	\$ 630	\$ 17,016	\$ -	\$ 349	\$ 1,245	\$ 201	\$ 274	\$ 90	\$ 8,401
Receipts:									
Local sources	-	-	-	-	7	-	-	-	11
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	169	-	-	-	-	-	-
Total receipts	-	-	169	-	7	-	-	-	11
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	16,532	169	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,532	169	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(16,532)	-	-	7	-	-	-	11
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(349)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(349)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(16,532)	-	(349)	7	-	-	-	11
Cash and investments - ending	\$ 630	\$ 484	\$ -	\$ -	\$ 1,252	\$ 201	\$ 274	\$ 90	\$ 8,412

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	Mary Cecil Scholarship Fund	The Learning Center	Area 18 - 2016-17 Perkins Grant	Area 18 - 2017-18 Perkins Grant	Coca-Cola Fund	Huntington City Cmty Foundation	Ecolab Grant I	Ecolab Grant II	Ecolab Grants - June 2010
Cash and investments - beginning	\$ 19,833	\$ 424,615	\$ -	\$ -	\$ (1,631)	\$ 1,238	\$ (16)	\$ (113)	\$ 545
Receipts:									
Local sources	-	-	804	-	-	12,283	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	180,000	-	44,043	25,200	-	-	-	-
Total receipts	-	180,000	804	44,043	25,200	12,283	-	-	-
Disbursements:									
Instruction	-	-	866	44,043	-	10,723	-	-	-
Support services	-	-	-	-	78	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	23,481	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	23,481	866	44,043	78	10,723	-	-	-
Excess (deficiency) of receipts over disbursements	-	156,519	(62)	-	25,122	1,560	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	156,519	(62)	-	25,122	1,560	-	-	-
Cash and investments - ending	\$ 19,833	\$ 581,134	\$ (62)	\$ -	\$ 23,491	\$ 2,798	\$ (16)	\$ (113)	\$ 545

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	Ecolab Grants - June 2011	Ecolab Grants - June 2012	Ecolab Grants - June 2013	Ecolab Grants - June 2014	Ecolab - June 2015	Ecolab - 2016	Ecolab - 2017	Formative Assessment	Special Education Excess Costs
Cash and investments - beginning	\$ (208)	\$ 2,052	\$ 292	\$ 3,766	\$ (77)	\$ 2,504	\$ -	\$ -	\$ 13,110
Receipts:									
Local sources	-	-	-	-	-	-	37,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	51,265	7,866
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	37,000	51,265	7,866
Disbursements:									
Instruction	-	-	-	481	-	-	31,234	-	-
Support services	-	-	-	-	-	633	-	16,847	20,976
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	481	-	633	31,234	16,847	20,976
Excess (deficiency) of receipts over disbursements	-	-	-	(481)	-	(633)	5,766	34,418	(13,110)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(481)	-	(633)	5,766	34,418	(13,110)
Cash and investments - ending	\$ (208)	\$ 2,052	\$ 292	\$ 3,285	\$ (77)	\$ 1,871	\$ 5,766	\$ 34,418	\$ -

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	High Ability 2015-2016	High Ability 2016-2017	High Ability 2017-2018	Medicaid Reimbursement	Secured Schools Safety Grant	NESP Grant 2015-2016	NESP Grant 2016-2017	NESP Grant 2017-2018
Cash and investments - beginning	\$ (27)	\$ 10,107	\$ -	\$ -	\$ (19,460)	\$ (18)	\$ 5,014	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	46,460	84,060	34,279	-	-	6,000
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	46,460	84,060	34,279	-	-	6,000
Disbursements:								
Instruction	-	10,107	41,704	-	-	-	1,000	38
Support services	-	-	-	2,132	14,808	-	3,250	96
Noninstructional services	-	-	-	-	-	-	765	776
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	10,107	41,704	2,132	14,808	-	5,015	910
Excess (deficiency) of receipts over disbursements	-	(10,107)	4,756	81,928	19,471	-	(5,015)	5,090
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	27	-	-	-	-	18	1	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	27	-	-	-	-	18	1	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27	(10,107)	4,756	81,928	19,471	18	(5,014)	5,090
Cash and investments - ending	\$ -	\$ -	\$ 4,756	\$ 81,928	\$ 11	\$ -	\$ -	\$ 5,090

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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	School Technology	State Connectivity "Technology"	EBAY - Technology	Viking New Tech - VNT	Schwab - Navigation 101 - NT	Schwab - Navigation 101	Career and Technical Performance Grant	Performance Based Awards
Cash and investments - beginning	\$ 175,556	\$ 35,720	\$ 147	\$ 1,750	\$ 1,510	\$ 5,234	\$ 28,496	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	95,237	11,010	-	-	-	-	49,005	151,974
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	95,237	11,010	-	-	-	-	49,005	151,974
Disbursements:								
Instruction	-	-	-	655	-	1,040	27,492	-
Support services	-	-	-	-	-	-	-	151,997
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	655	-	1,040	27,492	151,997
Excess (deficiency) of receipts over disbursements	95,237	11,010	-	(655)	-	(1,040)	21,513	(23)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	95,237	11,010	-	(655)	-	(1,040)	21,513	(23)
Cash and investments - ending	\$ 270,793	\$ 46,730	\$ 147	\$ 1,095	\$ 1,510	\$ 4,194	\$ 50,009	\$ (23)

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

	Excellence in Perf Award - 2017	New Tech- Univ. of Indy-Cell	Talent Initiative "Cmnty Found"	Horace Mann Preschool	Vectren Utility	School Improvement Grant 2015-16	School Improvement Grant 2016-17	School Improvement Grant 2017-18
Cash and investments - beginning	\$ -	\$ 16	\$ 12,941	\$ 28,771	\$ 1,851	\$ 28	\$ (20,375)	\$ -
Receipts:								
Local sources	-	-	-	29,826	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	66,096	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	83,589	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	66,096	-	-	29,826	-	-	83,589	-
Disbursements:								
Instruction	-	-	-	9,138	-	-	23,953	21,008
Support services	66,096	-	-	-	-	-	36,128	15,415
Noninstructional services	-	-	-	-	-	-	3,157	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	66,096	-	-	9,138	-	-	63,238	36,423
Excess (deficiency) of receipts over disbursements	-	-	-	20,688	-	-	20,351	(36,423)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	24	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	24	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	20,688	-	-	20,375	(36,423)
Cash and investments - ending	\$ -	\$ 16	\$ 12,941	\$ 49,459	\$ 1,851	\$ 28	\$ -	\$ (36,423)

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

	Title I - 2013-2014 Grant	Title I - 2015-2016 Grant	Title I - 2016-2017 Grant	Title I - 2017-2018 Grant	IDEA - Part B - FY15	IDEA - Part B - FY16	IDEA - Part B - FY17	IDEA - Part B - FY18
Cash and investments - beginning	\$ 1	\$ (1)	\$ (75,313)	\$ -	\$ -	\$ (4,764)	\$ (80,811)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	280,422	544,613	-	18,494	269,687	891,306
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	280,422	544,613	-	18,494	269,687	891,306
Disbursements:								
Instruction	-	-	178,629	507,333	-	-	74,581	553,113
Support services	-	-	25,174	96,034	-	13,730	153,442	420,408
Noninstructional services	-	-	1,403	6,084	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	205,206	609,451	-	13,730	228,023	973,521
Excess (deficiency) of receipts over disbursements	-	-	75,216	(64,838)	-	4,764	41,664	(82,215)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	1	-	-	-	-	19,766	-
Transfers out	(1)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1)	1	-	-	-	-	19,766	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	1	75,216	(64,838)	-	4,764	61,430	(82,215)
Cash and investments - ending	\$ -	\$ -	\$ (97)	\$ (64,838)	\$ -	\$ -	\$ (19,381)	\$ (82,215)

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

	IDEA Part B - Preschool - 11-12	IDEA Part B - Prschl - 2014-2015	IDEA Part B - Prschl 2015-2016	IDEA Part B - Prschl 2016-2017	IDEA Part B - Prschl 2017-2018	Vocational and Technology Board Grants	Medicaid Reimbursement - Federal	Other Federal Programs
Cash and investments - beginning	\$ (382)	\$ -	\$ -	\$ (3,299)	\$ -	\$ -	\$ 6,228	\$ 4,142
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	12,511	36,353	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	12,511	36,353	-	-	-
Disbursements:								
Instruction	-	-	-	9,212	42,399	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	9,212	42,399	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	3,299	(6,046)	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	382	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	382	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	382	-	-	3,299	(6,046)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (6,046)	\$ -	\$ 6,228	\$ 4,142

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

	ABLES Grant 2014-15	Title II Part A - 2013-2014	Title II Part A - 2014-2015	Title II Part A - FFY15	Title II Part A - FFY16	School Lunch - Prepaid Food	Clearing Funds	Totals
Cash and investments - beginning	\$ -	\$ (29)	\$ -	\$ (23,723)	\$ -	\$ -	\$ 330,528	\$ 15,084,322
Receipts:								
Local sources	-	-	-	-	-	-	-	16,037,621
Intermediate sources	-	-	-	-	-	-	-	351
State sources	-	-	-	-	-	-	-	34,674,198
Federal sources	-	-	-	54,515	121,879	-	-	3,873,408
Other receipts	-	-	-	-	-	677,044	18,086,595	19,184,296
Total receipts	-	-	-	54,515	121,879	677,044	18,086,595	73,769,874
Disbursements:								
Instruction	-	-	-	-	-	-	-	24,529,557
Support services	-	-	-	30,792	135,250	-	-	19,405,216
Noninstructional services	-	-	-	-	-	-	-	3,224,465
Facilities acquisition and construction	-	-	-	-	-	-	-	3,455,433
Debt service	-	-	-	-	-	-	-	5,082,649
Nonprogrammed charges	-	-	-	-	-	645,827	18,101,782	18,747,609
Total disbursements	-	-	-	30,792	135,250	645,827	18,101,782	74,444,929
Excess (deficiency) of receipts over disbursements	-	-	-	23,723	(13,371)	31,217	(15,187)	(675,055)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	4,835,977
Sale of capital assets	-	-	-	-	-	-	-	180,619
Transfers in	-	29	-	-	-	-	-	141,271
Transfers out	-	-	-	-	-	-	-	(141,271)
Total other financing sources (uses)	-	29	-	-	-	-	-	5,016,596
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	29	-	23,723	(13,371)	31,217	(15,187)	4,341,541
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (13,371)	\$ 31,217	\$ 315,341	\$ 19,425,863

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 500,601</u>	<u>\$ 166,363</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Inc	Student iPads	\$ 25,159	5/25/2017	2/25/2021
Apple Inc	Teacher Mac Book Air	156,326	4/3/2017	1/3/2021
Apple Inc	Student iPads	274,595	5/25/2017	2/25/2021
Apple Inc	Mac Book Air Purchase	607,550	5/22/2016	3/15/2020
D Dyer	Alternative School Rental	26,400	8/1/2018	12/31/2019
Huntington Countywide School Bldg Corp II	2016 Refunding	2,513,408	12/8/2016	12/31/2023
Pinnacle	Postage Machine Rental	4,713	1/1/2016	1/1/2020
US Bank Finance	Copier Lease	80,793	6/29/2016	8/15/2021
YMCA	Pool Rental	30,000	10/23/2017	10/30/2019
Total of annual lease payments		<u>\$ 3,718,944</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GOB 2016 Construction - The Learning Center	\$ 650,000	\$ 9,750
Notes and loans payable	GOB 2017 School Construction Loan	3,645,000	2,475,900
Notes and loans payable	Common School Fund Loan	1,017,281	199,250
Totals		<u>\$ 5,312,281</u>	<u>\$ 2,684,900</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2018

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,542,231
Buildings	62,876,299
Improvements other than buildings	7,707,515
Machinery, equipment, and vehicles	12,020,629
Construction in progress	<u>3,284,641</u>
Total capital assets	<u>\$ 87,431,315</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

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 2018-001, 2018-002, and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 2018-001, 2018-002, and 2018-003, 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.

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

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
Paul D. Joyce, CPA
State Examiner

April 1, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY 2016/2017	\$ -	\$ 270,956	\$ -	\$ -
			FY 2017/2018	-	-	-	287,203
				<u>-</u>	<u>270,956</u>	<u>-</u>	<u>287,203</u>
Total - School Breakfast Program							
National School Lunch Program	Indiana Department of Education	10.555					
			FY 2016/2017	-	1,164,793	-	-
			FY 2017/2018	-	-	-	1,212,558
			FY 2016/2017	-	253,996	-	-
			FY 2017/2018	-	-	-	222,976
				<u>-</u>	<u>1,418,789</u>	<u>-</u>	<u>1,435,534</u>
Total - National School Lunch Program							
Summer Food Service Program for Children	Indiana Department of Education	10.559					
			FY 2017/2018	-	43,744	-	-
			FY 2016/2017	-	-	-	60,278
				<u>-</u>	<u>43,744</u>	<u>-</u>	<u>60,278</u>
Total - Summer Food Service Program for Children							
Total - Child Nutrition Cluster				<u>-</u>	<u>1,733,489</u>	<u>-</u>	<u>1,783,015</u>
Total - Department of Agriculture				<u>-</u>	<u>1,733,489</u>	<u>-</u>	<u>1,783,015</u>
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
			14215-029-PN01	-	24,816	-	-
			14216-027-PN01	-	283,330	-	18,494
			14217-027-PN01	-	920,982	-	269,687
			18611-027-PN01	-	-	-	889,331
				<u>-</u>	<u>1,229,128</u>	<u>-</u>	<u>1,177,512</u>
Total - Special Education Grants to States							
Special Education Preschool Grants	Indiana Department of Education	84.173					
			45715-029-PN01	-	6,875	-	-
			45716-027-PN01	-	9,072	-	-
			45717-027-PN01	-	34,095	-	14,486
			18619-027-PN01	-	-	-	36,353
				<u>-</u>	<u>50,042</u>	<u>-</u>	<u>50,839</u>
Total - Special Education Preschool Grants							
Total - Special Education Cluster (IDEA)				<u>-</u>	<u>1,279,170</u>	<u>-</u>	<u>1,228,351</u>

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Title I Grants to Local Educational Agencies Title I, Part A	Indiana Department of Education	84.010	16-3625	-	262,900	-	-
			17-3625	-	572,852	-	280,422
			18-3625	-	-	-	544,613
Title I, School Improvement Grant			FY 2015/2016	-	20,000	-	-
			FY 2016/2017	-	-	-	83,589
Total - Title I Grants to Local Educational Agencies				-	855,752	-	908,624
Career and Technical Education -- Basic Grants to States	Indiana Department of Education	84.048	FY 2016/2017	-	44,636	-	-
			FY 2017/2018	-	-	-	44,043
Total - Career and Technical Education -- Basic Grants to States				-	44,636	-	44,043
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367	14-3625	-	65,557	-	-
			15-3625	-	134,378	-	54,515
			16-3625	-	-	-	121,879
Total - Supporting Effective Instruction State Grants				-	199,935	-	176,394
Transition Programs for Students with Intellectual Disabilities into Higher Education	Indiana University	84.407	P407A100048-14	-	18,661	-	-
Total - Department of Education				-	2,398,154	-	2,357,412
Total federal awards expended				\$ -	\$ 4,131,643	\$ -	\$ 4,140,427

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material 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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
 CFDA Numbers: 10.553, 10.555, 10.559
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016/2017, FY 2017/2018
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirement: Procurement and Suspension and Debarment
 Audit Findings: Material Weakness, Other Matters

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

Condition

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

Suspension and Debarment

The School Corporation did not have internal controls in place to ensure vendors that exceed \$25,000 in the aggregate were not suspended or debarred from participation in the federal program. The School Corporation entered into covered transactions with four vendors that exceeded \$25,000.

The School Corporation was also a member of the Region 8 Cooperative. The School used four vendors through the Region 8 Cooperative, but did not obtain School Board approval of the Region 8 vendors.

Context

The lack of controls and noncompliance were systemic issues, occurring 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 180.300 states in part:

"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 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.

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the 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 a system of internal controls related to 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 2018-002

Subject: School Breakfast Program, National School Lunch Program - Program Income
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 2016/2017, FY 2017/2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
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 2016-004.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Program Income compliance requirement.

The School Corporation did not establish the Prepaid Lunch fund until November of 2017. Until that time, a single fund, the School Lunch fund, accounted for all activity for the food service program. When prepaid funds were received, they were receipted with the program income into the School Lunch fund as revenue. Therefore, prepaid amounts were reported as program income before meals were charged to the accounts.

Context

The lack of controls and noncompliance occurred during a majority of the 24-month audit period.

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

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). . . ."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . ."

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

7 CFR 210.14(c) states:

"Financial assurances. The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Bulletin and Uniform Compliance Guidelines, September 2008)

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

Cause

Management had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were segregated.

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

Effect

The failure to establish a system of internal controls that would have ensured that prepaid receipts and program income receipts were segregated enabled noncompliance to remain undetected. The failure to comply with the Program Income compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Program Income 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 2018-003

Subject: Special Education Cluster (IDEA) - Reporting

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): 14216-027-PN01, 14217-027-PN01,
18611-027-PN01, 45716-027-PN01,
47517-027-PN01, 18619-027-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

Condition

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

The Quarterly Proportionate Share Monitoring Reports were not completed and submitted during the audit period. There was no documented control in place to ensure the reports were being completed and submitted timely.

Context

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

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

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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

. . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance.
- (3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

Cause

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

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified

Recommendation

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

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



Huntington County Community School Corporation

Tomorrow today.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred:2012-2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Edette Eckert
Contact Phone Number: 260-356-8312

Status of Audit Finding:

The corporation treasurer prepares the report and the Business Manager now reviews and signs off on the report before it is submitted in Gateway.

FINDING 2016-002

Fiscal year in which the finding initially occurred:2014-2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Ken Akins/Edette Eckert
Contact Phone Number: 260-356-6104 or 260-356-8312

Status of Audit Finding

Cash Balance Management: Cash Balance is monitored on a monthly basis and purchase orders for equipment and food are placed as necessary.

Eligibility: Web applications are approved and written documentation are placed in the comment section of the application. The documentation includes the word "validated" and the initials of the person that checked the application. This will serve as a written record of a secondary signature.

Superintendent Randy Harris
Business Manager Scott Bumgardner
Assistant Superintendent for Instruction Charles Daugherty

Reporting: All the above reports are now prepared by the Food Service Director; upon completion all are reviewed and signed by the Food Service Administrative Assistant or the Food Service Treasurer/Secretary. The reports are printed and filed with the secondary signatures before electronic transmission occurs.

FINDING 2016-003

Fiscal year in which the finding initially occurred: 2014-2015

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

Contact Person Responsible for Corrective Action: Ken Akins/Edette Eckert

Contact Phone Number: 260-356-6104 or 260-356-8312

Status of Audit Finding

The Food Service Director began logging his equipment purchases over \$5,000 on a spreadsheet. The spreadsheet should then be shared with the corporation receptionist that records the fixed assets for the entire corporation.

FINDING 2016-004

Fiscal year in which the finding initially occurred: 2014-2015

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

Contact Person Responsible for Corrective Action: Ken Akins/Edette Eckert

Contact Phone Number: 260-356-6104 or 260-356-8312

Status of Audit Finding

A prepaid food fund (8400) was created in November 2017. The balance of fund 8400 is given to the Corporation Treasurer by the Food Service Director at the end of each month. A transfer of funds from the prepaid to regular food service food is made monthly. This transaction is electronically approved by the Corporation Treasurer and Business Manager.



(Signature)

Corporation Treasurer
(Title)

02/04/19
(Date)

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



CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Edette Eckert, Scott Bumgardner
Contact Phone Number: 260-356-8312

Views of Responsible Official:
We concur with the finding

Description of Corrective Action Plan:

The business team will run a report from the financial software each year of vendors that HCCSC paid in excess of \$25,000. An inquiry will be done on each vendor to ensure they have not been suspended or debarred from participation in a federal program. Each quarter a report will be run to ensure no new or additional vendors have been paid in excess of \$25,000. All documentation will be kept in a binder by calendar year. All purchase over \$25,000 will be taken to the School Board of Trustees for approval.

Anticipated Completion Date: March 2019

FINDING 2018-002

Contact Person Responsible for Corrective Action: Ken Akins, Edette Eckert
Contact Phone Number: 260-356-8312

Views of Responsible Official:
We concur with the finding

Description of Corrective Action Plan:

The Food Service Director will provide a signed monthly sales report from the food service software to the Treasurer. The Treasurer will transfer the actual sales number from the 8400 Prepaid Fund to the 800 School Lunch Fund. Once the transfer is complete the ending balances from the Food Service software program will be compared to the corporation's financial software program for any differences. If balance differences can be identified, an adjustment will be done.

Anticipated Completion Date: March 2019

<i>Superintendent</i>	Randy Harris
<i>Business Manager</i>	Scott Bumgardner
<i>Assistant Superintendent for Instruction</i>	Charles Daugherty

FINDING 2018-003

Contact Person Responsible for Corrective Action: Megan Horsley

Contact Phone Number: 260-356-8312

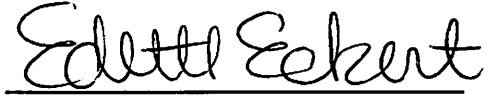
Views of Responsible Official:

We concur with the finding

Description of Corrective Action Plan:

To ensure Special Services Quarterly Reports are submitted by the due date, a calendar reminder will be set on the Director's and Administrative Assistant's Calendar. Staff working with the non-public schools will complete time sheets to document all services provided. Any materials and supplies purchased for non-public schools will be collected in a file with the time documentation. All proportionate share reports will be signed by the special education director and the district financial officer.

Anticipated Completion Date: March 2019



(Signature)

Treasurer

(Title)

03/07/19

(Date)

OTHER REPORTS

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