

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

FINANCIAL STATEMENT AUDIT REPORT

OF

SALEM COMMUNITY SCHOOLS

WASHINGTON COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
03/12/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruth D. Gilbert Rachel Weedin	07-01-17 to 08-31-18 09-01-18 to 06-30-20
Superintendent of Schools	Dr. D. Lynn Reed Kim A. Thurston, EdD (interim) Jon Acton	07-01-17 to 06-30-19 07-01-19 to 02-29-20 03-01-20 to 06-30-23
President of the School Board	Mark Abbott Rebecca L. White Rodney Brough	01-01-17 to 12-31-17 01-01-18 to 12-31-19 01-01-20 to 12-31-20



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SALEM COMMUNITY SCHOOLS, WASHINGTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Salem Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2017 to June 30, 2019, 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, 2017 to June 30, 2019.

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, 2017 to June 30, 2019, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.


Other Matters

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2020, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

February 27, 2020

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.

SALEM COMMUNITY SCHOOLS
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2018 and 2019

Fund	Cash and Investments 07-01-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-19
General	\$ 655,532	\$ 13,113,030	\$ 13,523,313	\$ 57,884	\$ 303,133	\$ 6,543,661	\$ 6,403,533	\$ (443,261)	\$ -
Education	-	-	-	-	-	6,360,833	5,504,461	(378,255)	478,117
Debt Service	1,275,277	2,127,305	2,110,501	-	1,292,081	2,134,853	2,180,348	433	1,247,019
Retirement/Severance Bond Debt Service	117,830	180,134	179,779	-	118,185	68,523	179,695	-	7,013
Operations	-	-	-	-	-	1,548,228	2,333,788	1,442,051	656,491
Capital Projects	579,385	1,414,903	1,500,246	456	494,498	546,282	904,590	(136,190)	-
School Transportation	225,603	906,020	881,897	-	249,726	364,050	445,471	(168,305)	-
School Bus Replacement	183,255	311,763	265,181	(15,000)	214,837	126,841	68,234	(273,444)	-
Local Rainy Day	60,868	-	41,667	15,000	34,201	-	72,301	61,294	23,194
GO Bond Fund	-	-	-	-	-	-	632,288	700,827	68,539
GO Bonds 2016 Const FD(SAFERM)	893,049	1,099,058	1,623,081	-	369,026	3,172	97,186	(19,919)	255,093
HS Bldg Corp Const Fund 2016	73,064	-	74,677	-	(1,613)	-	16,914	-	(18,527)
Retainage- Safe Rm	125,409	42,950	-	-	168,359	156,214	176,133	19,919	168,359
School Lunch	437,243	868,319	775,598	(57,884)	472,080	867,171	883,649	-	455,602
Curricular Materials Rental	206,343	161,179	90,767	-	276,755	146,606	76,390	-	346,971
Levy Excess	567	-	-	-	567	-	-	-	567
Educational License Plates	1,214	225	-	-	1,439	75	-	-	1,514
School Library Printed Material	-	6,762	-	-	6,762	6,801	-	(13,563)	-
Early Intervention Grant	5,202	-	5,165	-	37	-	-	-	37
Comp Counsel-Lilly Endowment	19,255	-	19,255	-	-	189,200	23,188	(166,012)	-
Local Adult, Alternative, and Continuing Education	-	-	-	-	-	-	-	13,563	13,563
WCCF Giving Tree 2019	-	-	-	-	-	2,680	2,191	-	489
INMAC/WFD Purdue-Calhoun Grant	-	-	-	-	-	2,000	2,000	-	-
IN Youth Inst-Prof Dev Grant	-	-	-	-	-	750	389	-	361
IN Natural Resources Fd	-	250	250	-	-	-	-	-	-
Community Dinner/Activities	-	750	406	-	344	-	179	-	165
Duke-Kgartn Garden	-	800	362	-	438	800	1,238	-	-
Duke-Real Mean Read Gt	(20)	-	(20)	-	-	-	-	-	-
Duke Energy-Summer 2017	14,224	18,561	15,036	-	17,749	10,000	18,405	-	9,344
Hoosier Uplands CDIP Grant	-	-	-	-	-	5,000	4,892	-	108
Wash Co Comm Found Grants	236	20,237	17,040	-	3,433	20,279	27,114	-	(3,402)
SHS Counseling Dept Fund	16,782	1,235	5,295	-	12,722	1,288	1,948	-	12,062
Pepsi Bottling Co	-	10,300	-	-	10,300	22,024	6,305	-	26,019
IN Literacy Grant	-	-	-	-	-	7,452	7,452	-	-
Formative Assessment	6,833	22,764	29,596	-	1	22,074	19,163	-	2,912

SALEM COMMUNITY SCHOOLS
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2018 and 2019

Fund	Cash and Investments 07-01-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-19
High Ability Grant	12,765	33,007	32,425	-	13,347	1,372	14,719	-	-
Medicaid Reimbursement	68	-	-	-	68	-	-	-	68
Secured Schools Safety Grant	(38,667)	62,500	45,250	-	(21,417)	39,584	83,509	-	(65,342)
School Intervention and Counseling	-	-	-	-	-	-	38,731	166,012	127,281
Non-English Speaking Programs	-	1,250	400	-	850	-	850	-	-
Non-Eng Title III 18-19	-	-	-	-	-	-	75	-	(75)
School Technology	6,440	7,770	2,906	-	11,304	-	394	(10,910)	-
School Tech-Comp Rental Fees	3,161	22,926	2,450	-	23,637	21,972	15,648	(29,961)	-
Career and Technical Performance Grant	9,886	6,710	-	-	16,596	13,521	-	-	30,117
Teacher Appreciation Grant	(4,896)	-	(4,411)	-	(485)	53,683	53,683	-	(485)
High Ability Students	-	-	-	-	-	33,093	18,511	-	14,582
Senator David Ford Technology	-	5,099	22,629	-	(17,530)	66,376	45,773	-	3,073
Project Lead the Way	-	-	-	-	-	-	2,505	-	(2,505)
ICJI Safe Haven EGrant	-	-	-	-	-	6,687	10,605	-	(3,918)
Title I	-	-	-	-	-	340,995	348,856	(8,805)	(16,666)
Title I 2016-2017	(67,584)	7,655	(59,929)	-	-	-	-	-	-
Title I-2017-18	-	346,929	385,228	-	(38,299)	52,791	23,297	8,805	-
IDEA Part B Special Ed Grant	-	-	-	-	-	44,063	53,319	(12,257)	(21,513)
IDEA	-	82,879	94,711	-	(11,832)	52,530	52,955	12,257	-
Student Support, Title IV	-	-	-	-	-	8,057	8,080	-	(23)
Title II, Part A, Supporting Effective Instruction	(3,000)	88,153	91,011	-	(5,858)	20,229	14,371	-	-
FFY2018 Title II	-	-	-	-	-	57,692	62,621	-	(4,929)
Title II,A FFY17	-	-	-	-	-	63,446	-	(63,446)	-
Rural Schools and Low Income Program	-	-	-	-	-	12,967	12,967	-	-
Prepaid Lunches	14,158	277,691	275,103	-	16,746	271,644	270,576	-	17,814
Clearing Accounts	15,087	4,376,688	4,447,693	-	(55,918)	4,183,553	4,176,610	-	(48,975)
First Harrison Bank Loan	-	-	632,058	632,058	-	-	-	-	-
Totals	\$ 4,844,569	\$ 25,625,802	\$ 27,126,616	\$ 632,514	\$ 3,976,269	\$ 24,501,112	\$ 25,398,100	\$ 700,833	\$ 3,780,114

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

SALEM COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

SALEM COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, conNo

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

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

F. Other Financing Sources and Uses

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

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

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

SALEM COMMUNITY SCHOOLS
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 December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

SALEM COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

SALEM COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

INPRS 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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. TRF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the fund.

TRF is composed of two accounts: Teachers' Pre-1996 and Teachers' 1996. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in Teachers' 1996. Membership in Teachers' Pre-1996 is closed to new entrants. Generally, members hired before 1996 participate in this account and members hired after 1995 participate in Teachers' 1996. Both accounts have two components: the employer-funded defined benefit component and a defined contribution account.

Financial Report

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. (844) 464-6777

SALEM COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 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. These contributions are determined by INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996) is considered to be an obligation of, and is paid by, the State of Indiana.

C. Additional Pension Plans

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

Note 7. Establishment of the Education Fund and Operations Fund

State statute (IC 20-40-2-2) required the establishment of an Education fund to be used to pay expenses allocated to student instruction and learning. The balance in the School Corporation's General fund as of December 31, 2018, was required to be transferred to the Education fund on January 1, 2019 (IC 20-40-2-7).

In addition, an Operations fund was required to be established under state statute (IC 20-40-18-1). The fund may be used to carry out capital project plans; pay transportation costs attributable to the transportation of school children; carry out a school bus replacement plan; pay expenses that are allocated to overhead and operational expenditures; provide funds to an art association or a historical society; and establish, maintain, and equip a public playground. The Indiana Codes establishing the Capital Projects Fund (IC 20-40-8-6); School Transportation (IC 20-40-6-4); School Bus Replacement (IC 20-40-7-5); Historical Fund; Playground Fund; and Art Fund were repealed effective January 1, 2019. Guidance was provided by the Indiana Department of Education to transfer the balances remaining in these funds as of December 31, 2018, to the Operations fund.

The Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, issued by the Indiana State Board of Accounts, includes the chart of accounts used by school corporations which coincides with the State Board of Education's determined categories in accordance with state statute (IC 20-42.5-3-7).

Note 8. Negative Receipts and Disbursements

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

SALEM COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants, correction of errors, and expenditures exceeding receipts. The reimbursements for grant expenditures made by the School Corporation were not received by June 30, 2018 and 2019.

Note 10. Holding Corporations

The School Corporation has entered into a capital lease with Salem High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during fiscal years 2017-2018 and 2018-2019 totaled \$1,083,500 and \$1,085,000, respectively.

The School Corporation has entered into a capital lease with Salem Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during 2017-2018 and 2018-2019 totaled \$987,000 and \$989,081, respectively.

Note 11. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: eligibility to remain on group health/vision/dental group plans until the retiree reaches the age of eligibility for Medicare. The retiree receives a contribution from the School Corporation (single plan amount only) towards health insurance that was in effect at the time of their retirement. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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.

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

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation
Cash and investments - beginning	\$ 655,532	\$ -	\$ 1,275,277	\$ 117,830	\$ -	\$ 579,385	\$ 225,603
Receipts:							
Local sources	59,672	-	2,127,305	180,134	-	1,411,816	892,437
Intermediate sources	28	-	-	-	-	-	-
State sources	13,053,330	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	3,087	13,583
Total receipts	13,113,030	-	2,127,305	180,134	-	1,414,903	906,020
Disbursements:							
Instruction	9,276,123	-	-	-	-	-	-
Support services	4,247,190	-	-	-	-	1,038,901	881,897
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	461,345	-
Debt services	-	-	2,110,501	179,779	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	13,523,313	-	2,110,501	179,779	-	1,500,246	881,897
Excess (deficiency) of receipts over disbursements	(410,283)	-	16,804	355	-	(85,343)	24,123
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	456	-
Transfers in	57,884	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	57,884	-	-	-	-	456	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(352,399)	-	16,804	355	-	(84,887)	24,123
Cash and investments - ending	\$ 303,133	\$ -	\$ 1,292,081	\$ 118,185	\$ -	\$ 494,498	\$ 249,726

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

	School Bus Replacement	Local Rainy Day	GO Bond Fund	GO Bonds 2016 Const FD(SAFERM)	HS Bldg Corp Const Fund 2016	Retainage- Safe Rm	School Lunch
Cash and investments - beginning	\$ 183,255	\$ 60,868	\$ -	\$ 893,049	\$ 73,064	\$ 125,409	\$ 437,243
Receipts:							
Local sources	311,763	-	-	-	-	42,950	279,368
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	7,746
Federal sources	-	-	-	1,099,058	-	-	581,205
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>311,763</u>	<u>-</u>	<u>-</u>	<u>1,099,058</u>	<u>-</u>	<u>42,950</u>	<u>868,319</u>
Disbursements:							
Instruction	-	41,667	-	-	-	-	-
Support services	265,181	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	775,598
Facilities acquisition and construction	-	-	-	1,623,081	74,677	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>265,181</u>	<u>41,667</u>	<u>-</u>	<u>1,623,081</u>	<u>74,677</u>	<u>-</u>	<u>775,598</u>
Excess (deficiency) of receipts over disbursements	<u>46,582</u>	<u>(41,667)</u>	<u>-</u>	<u>(524,023)</u>	<u>(74,677)</u>	<u>42,950</u>	<u>92,721</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	15,000	-	-	-	-	-
Transfers out	(15,000)	-	-	-	-	-	(57,884)
Total other financing sources (uses)	<u>(15,000)</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,884)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>31,582</u>	<u>(26,667)</u>	<u>-</u>	<u>(524,023)</u>	<u>(74,677)</u>	<u>42,950</u>	<u>34,837</u>
Cash and investments - ending	<u>\$ 214,837</u>	<u>\$ 34,201</u>	<u>\$ -</u>	<u>\$ 369,026</u>	<u>\$ (1,613)</u>	<u>\$ 168,359</u>	<u>\$ 472,080</u>

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

	Curricular Materials Rental	Levy Excess	Educational License Plates	School Library Printed Material	Early Intervention Grant	Comp Counsel-Lilly Endowment	Local Adult, Alternative and Continuing Education
Cash and investments - beginning	\$ 206,343	\$ 567	\$ 1,214	\$ -	\$ 5,202	\$ 19,255	\$ -
Receipts:							
Local sources	73,090	-	-	-	-	-	-
Intermediate sources	-	-	225	-	-	-	-
State sources	88,089	-	-	6,762	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	161,179	-	225	6,762	-	-	-
Disbursements:							
Instruction	11,703	-	-	-	5,165	-	-
Support services	78,864	-	-	-	-	19,255	-
Noninstructional services	200	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	90,767	-	-	-	5,165	19,255	-
Excess (deficiency) of receipts over disbursements	70,412	-	225	6,762	(5,165)	(19,255)	-
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	70,412	-	225	6,762	(5,165)	(19,255)	-
Cash and investments - ending	\$ 276,755	\$ 567	\$ 1,439	\$ 6,762	\$ 37	\$ -	\$ -

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

	WCCF Giving Tree 2019	INMAC/WFD Purdue-Calhoun Grant	IN Youth Inst-Prof Dev Grant	IN Natural Resources Fd	Community/Dinner Activities	2919 Duke-Kgartn Garden	Duke-Real Mean Read Gt
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20)
Receipts:							
Local sources	-	-	-	-	750	800	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	250	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	250	750	800	-
Disbursements:							
Instruction	-	-	-	250	-	362	(20)
Support services	-	-	-	-	406	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	250	406	362	(20)
Excess (deficiency) of receipts over disbursements	-	-	-	-	344	438	20
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	-	-	-	-	344	438	20
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 344	\$ 438	\$ -

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

	Duke Energy-Summer 2017	Hoosier Uplands CDIP Grant	Wash Co Comm Found Grants	SHS Counseling Dept Fund	Pepsi Bottling Co	IN Literacy Grant	Formative Assessment
Cash and investments - beginning	\$ 14,224	\$ -	\$ 236	\$ 16,782	\$ -	\$ -	\$ 6,833
Receipts:							
Local sources	18,561	-	20,237	1,235	10,300	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	22,764
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>18,561</u>	<u>-</u>	<u>20,237</u>	<u>1,235</u>	<u>10,300</u>	<u>-</u>	<u>22,764</u>
Disbursements:							
Instruction	15,036	-	17,040	-	-	-	29,596
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	5,295	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>15,036</u>	<u>-</u>	<u>17,040</u>	<u>5,295</u>	<u>-</u>	<u>-</u>	<u>29,596</u>
Excess (deficiency) of receipts over disbursements	<u>3,525</u>	<u>-</u>	<u>3,197</u>	<u>(4,060)</u>	<u>10,300</u>	<u>-</u>	<u>(6,832)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,525</u>	<u>-</u>	<u>3,197</u>	<u>(4,060)</u>	<u>10,300</u>	<u>-</u>	<u>(6,832)</u>
Cash and investments - ending	<u>\$ 17,749</u>	<u>\$ -</u>	<u>\$ 3,433</u>	<u>\$ 12,722</u>	<u>\$ 10,300</u>	<u>\$ -</u>	<u>\$ 1</u>

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

	High Ability Grant	Medicaid Reimbursement	Secured Schools Safety Grant	School Intervention and Counseling	Non-English Speaking Programs	Non-Eng Title III 18-19	School Technology
Cash and investments - beginning	\$ 12,765	\$ 68	\$ (38,667)	\$ -	\$ -	\$ -	\$ 6,440
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	33,007	-	62,500	-	1,250	-	7,770
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>33,007</u>	<u>-</u>	<u>62,500</u>	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>7,770</u>
Disbursements:							
Instruction	32,425	-	-	-	400	-	-
Support services	-	-	45,250	-	-	-	2,906
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>32,425</u>	<u>-</u>	<u>45,250</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>2,906</u>
Excess (deficiency) of receipts over disbursements	<u>582</u>	<u>-</u>	<u>17,250</u>	<u>-</u>	<u>850</u>	<u>-</u>	<u>4,864</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>582</u>	<u>-</u>	<u>17,250</u>	<u>-</u>	<u>850</u>	<u>-</u>	<u>4,864</u>
Cash and investments - ending	<u>\$ 13,347</u>	<u>\$ 68</u>	<u>\$ (21,417)</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 11,304</u>

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

	School Tech-Comp Rental Fees	Career and Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	Senator David Ford Technology	Project Lead the Way	ICJI Safe Haven EGrant
Cash and investments - beginning	\$ 3,161	\$ 9,886	\$ (4,896)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	22,926	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	6,710	-	-	5,099	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	22,926	6,710	-	-	5,099	-	-
Disbursements:							
Instruction	2,450	-	-	-	-	-	-
Support services	-	-	(4,411)	-	22,629	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,450	-	(4,411)	-	22,629	-	-
Excess (deficiency) of receipts over disbursements	20,476	6,710	4,411	-	(17,530)	-	-
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	20,476	6,710	4,411	-	(17,530)	-	-
Cash and investments - ending	\$ 23,637	\$ 16,596	\$ (485)	\$ -	\$ (17,530)	\$ -	\$ -

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

	Title I	Title I 2016-2017	Title I-2017-18	IDEA Part B Special Ed Grant	IDEA	Student Support, Title IV	Title II, Part A, Supporting Effective Instruction
Cash and investments - beginning	\$ -	\$ (67,584)	\$ -	\$ -	\$ -	\$ -	\$ (3,000)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	7,655	346,929	-	82,879	-	88,153
Other receipts	-	-	-	-	-	-	-
Total receipts	-	7,655	346,929	-	82,879	-	88,153
Disbursements:							
Instruction	-	(59,929)	381,515	-	94,711	-	91,011
Support services	-	-	3,713	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	(59,929)	385,228	-	94,711	-	91,011
Excess (deficiency) of receipts over disbursements	-	67,584	(38,299)	-	(11,832)	-	(2,858)
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	-	67,584	(38,299)	-	(11,832)	-	(2,858)
Cash and investments - ending	\$ -	\$ -	\$ (38,299)	\$ -	\$ (11,832)	\$ -	\$ (5,858)

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

	FFY2018 Title II	Title II,A FFY17	Rural Schools and Low Income Program	Prepaid Lunches	Clearing Accounts	First Harrison Bank Loan	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 14,158	\$ 15,087	\$ -	\$ 4,844,569
Receipts:							
Local sources	-	-	-	-	-	-	5,453,344
Intermediate sources	-	-	-	-	-	-	253
State sources	-	-	-	-	-	-	13,295,277
Federal sources	-	-	-	-	-	-	2,205,879
Other receipts	-	-	-	277,691	4,376,688	-	4,671,049
Total receipts	-	-	-	277,691	4,376,688	-	25,625,802
Disbursements:							
Instruction	-	-	-	-	-	-	9,939,505
Support services	-	-	-	-	-	632,058	7,233,839
Noninstructional services	-	-	-	-	-	-	781,093
Facilities acquisition and construction	-	-	-	-	-	-	2,159,103
Debt services	-	-	-	-	-	-	2,290,280
Nonprogrammed charges	-	-	-	275,103	4,447,693	-	4,722,796
Total disbursements	-	-	-	275,103	4,447,693	632,058	27,126,616
Excess (deficiency) of receipts over disbursements	-	-	-	2,588	(71,005)	(632,058)	(1,500,814)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	632,058	632,058
Sale of capital assets	-	-	-	-	-	-	456
Transfers in	-	-	-	-	-	-	72,884
Transfers out	-	-	-	-	-	-	(72,884)
Total other financing sources (uses)	-	-	-	-	-	632,058	632,514
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	2,588	(71,005)	-	(868,300)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 16,746	\$ (55,918)	\$ -	\$ 3,976,269

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation
Cash and investments - beginning	\$ 303,133	\$ -	\$ 1,292,081	\$ 118,185	\$ -	\$ 494,498	\$ 249,726
Receipts:							
Local sources	172,666	112,128	2,130,328	68,523	1,548,228	546,282	364,050
Intermediate sources	67	79	-	-	-	-	-
State sources	6,370,928	6,248,626	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	4,525	-	-	-	-
Total receipts	6,543,661	6,360,833	2,134,853	68,523	1,548,228	546,282	364,050
Disbursements:							
Instruction	4,365,095	4,524,022	-	-	8,152	-	-
Support services	2,037,453	980,439	-	-	2,178,294	656,830	445,471
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	147,342	247,760	-
Debt services	985	-	2,180,348	179,695	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	6,403,533	5,504,461	2,180,348	179,695	2,333,788	904,590	445,471
Excess (deficiency) of receipts over disbursements	140,128	856,372	(45,495)	(111,172)	(785,560)	(358,308)	(81,421)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	6	-	-
Transfers in	13,706	520,413	433	-	1,442,478	-	-
Transfers out	(456,967)	(898,668)	-	-	(433)	(136,190)	(168,305)
Total other financing sources (uses)	(443,261)	(378,255)	433	-	1,442,051	(136,190)	(168,305)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(303,133)	478,117	(45,062)	(111,172)	656,491	(494,498)	(249,726)
Cash and investments - ending	\$ -	\$ 478,117	\$ 1,247,019	\$ 7,013	\$ 656,491	\$ -	\$ -

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	School Bus Replacement	Local Rainy Day	GO Bond Fund	GO Bonds 2016 Const FD(SAFERM)	HS Bldg Corp Const Fund 2016	Retainage- Safe Rm	School Lunch
Cash and investments - beginning	\$ 214,837	\$ 34,201	\$ -	\$ 369,026	\$ (1,613)	\$ 168,359	\$ 472,080
Receipts:							
Local sources	126,841	-	-	3,172	-	156,214	282,236
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	7,388
Federal sources	-	-	-	-	-	-	577,547
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>126,841</u>	<u>-</u>	<u>-</u>	<u>3,172</u>	<u>-</u>	<u>156,214</u>	<u>867,171</u>
Disbursements:							
Instruction	-	72,301	-	-	-	-	-
Support services	68,234	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	883,649
Facilities acquisition and construction	-	-	-	97,186	16,914	176,133	-
Debt services	-	-	632,288	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>68,234</u>	<u>72,301</u>	<u>632,288</u>	<u>97,186</u>	<u>16,914</u>	<u>176,133</u>	<u>883,649</u>
Excess (deficiency) of receipts over disbursements	<u>58,607</u>	<u>(72,301)</u>	<u>(632,288)</u>	<u>(94,014)</u>	<u>(16,914)</u>	<u>(19,919)</u>	<u>(16,478)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	700,827	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	75,000	-	-	-	19,919	-
Transfers out	(273,444)	(13,706)	-	(19,919)	-	-	-
Total other financing sources (uses)	<u>(273,444)</u>	<u>61,294</u>	<u>700,827</u>	<u>(19,919)</u>	<u>-</u>	<u>19,919</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(214,837)</u>	<u>(11,007)</u>	<u>68,539</u>	<u>(113,933)</u>	<u>(16,914)</u>	<u>-</u>	<u>(16,478)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 23,194</u>	<u>\$ 68,539</u>	<u>\$ 255,093</u>	<u>\$ (18,527)</u>	<u>\$ 168,359</u>	<u>\$ 455,602</u>

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Curricular Materials Rental	Levy Excess	Educational License Plates	School Library Printed Material	Early Intervention Grant	Comp Counsel-Lilly Endowment	Local Adult, Alternative and Continuing Education
Cash and investments - beginning	\$ 276,755	\$ 567	\$ 1,439	\$ 6,762	\$ 37	\$ -	\$ -
Receipts:							
Local sources	71,575	-	-	-	-	189,200	-
Intermediate sources	-	-	75	-	-	-	-
State sources	75,031	-	-	6,801	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	146,606	-	75	6,801	-	189,200	-
Disbursements:							
Instruction	-	-	-	-	-	18,698	-
Support services	53,194	-	-	-	-	4,490	-
Noninstructional services	23,196	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	76,390	-	-	-	-	23,188	-
Excess (deficiency) of receipts over disbursements	70,216	-	75	6,801	-	166,012	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	13,563
Transfers out	-	-	-	(13,563)	-	(166,012)	-
Total other financing sources (uses)	-	-	-	(13,563)	-	(166,012)	13,563
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	70,216	-	75	(6,762)	-	-	13,563
Cash and investments - ending	\$ 346,971	\$ 567	\$ 1,514	\$ -	\$ 37	\$ -	\$ 13,563

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	WCCF Giving Tree 2019	INMAC/WFD Purdue-Calhoun Grant	IN Youth Inst-Prof Dev Grant	IN Natural Resources Fd	Community/Dinner Activities	2919 Duke-Kgartn Garden	Duke-Real Mean Read Gt
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 344	\$ 438	\$ -
Receipts:							
Local sources	2,680	2,000	750	-	-	800	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>2,680</u>	<u>2,000</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>-</u>
Disbursements:							
Instruction	2,191	2,000	-	-	-	1,238	-
Support services	-	-	389	-	179	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>2,191</u>	<u>2,000</u>	<u>389</u>	<u>-</u>	<u>179</u>	<u>1,238</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>489</u>	<u>-</u>	<u>361</u>	<u>-</u>	<u>(179)</u>	<u>(438)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>489</u>	<u>-</u>	<u>361</u>	<u>-</u>	<u>(179)</u>	<u>(438)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 489</u>	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ -</u>

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Duke Energy-Summer 2017	Hoosier Uplands CDIP Grant	Wash Co Comm Found Grants	SHS Counseling Dept Fund	Pepsi Bottling Co	IN Literacy Grant	Formative Assessment
Cash and investments - beginning	\$ 17,749	\$ -	\$ 3,433	\$ 12,722	\$ 10,300	\$ -	\$ 1
Receipts:							
Local sources	10,000	5,000	20,279	1,288	22,024	7,452	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	22,074
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	10,000	5,000	20,279	1,288	22,024	7,452	22,074
Disbursements:							
Instruction	18,405	4,892	27,114	-	-	7,452	19,163
Support services	-	-	-	-	6,305	-	-
Noninstructional services	-	-	-	1,948	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	18,405	4,892	27,114	1,948	6,305	7,452	19,163
Excess (deficiency) of receipts over disbursements	(8,405)	108	(6,835)	(660)	15,719	-	2,911
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	(8,405)	108	(6,835)	(660)	15,719	-	2,911
Cash and investments - ending	\$ 9,344	\$ 108	\$ (3,402)	\$ 12,062	\$ 26,019	\$ -	\$ 2,912

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	High Ability Grant	Medicaid Reimbursement	Secured Schools Safety Grant	School Intervention and Counseling	Non-English Speaking Programs	Non-Eng Title III 18-19	School Technology
Cash and investments - beginning	\$ 13,347	\$ 68	\$ (21,417)	\$ -	\$ 850	\$ -	\$ 11,304
Receipts:							
Local sources	1,372	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	39,584	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	1,372	-	39,584	-	-	-	-
Disbursements:							
Instruction	14,719	-	-	8,462	850	75	-
Support services	-	-	83,509	30,269	-	-	394
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	14,719	-	83,509	38,731	850	75	394
Excess (deficiency) of receipts over disbursements	(13,347)	-	(43,925)	(38,731)	(850)	(75)	(394)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	166,012	-	-	-
Transfers out	-	-	-	-	-	-	(10,910)
Total other financing sources (uses)	-	-	-	166,012	-	-	(10,910)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,347)	-	(43,925)	127,281	(850)	(75)	(11,304)
Cash and investments - ending	\$ -	\$ 68	\$ (65,342)	\$ 127,281	\$ -	\$ (75)	\$ -

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	School Tech-Comp Rental Fees	Career and Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	Senator David Ford Technology	Project Lead the Way	ICJI Safe Haven EGrant
Cash and investments - beginning	\$ 23,637	\$ 16,596	\$ (485)	\$ -	\$ (17,530)	\$ -	\$ -
Receipts:							
Local sources	21,972	-	-	-	1,785	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	13,521	53,683	33,093	37,647	-	6,687
Federal sources	-	-	-	-	26,944	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>21,972</u>	<u>13,521</u>	<u>53,683</u>	<u>33,093</u>	<u>66,376</u>	<u>-</u>	<u>6,687</u>
Disbursements:							
Instruction	15,648	-	-	18,511	-	-	10,605
Support services	-	-	53,683	-	45,773	2,505	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>15,648</u>	<u>-</u>	<u>53,683</u>	<u>18,511</u>	<u>45,773</u>	<u>2,505</u>	<u>10,605</u>
Excess (deficiency) of receipts over disbursements	<u>6,324</u>	<u>13,521</u>	<u>-</u>	<u>14,582</u>	<u>20,603</u>	<u>(2,505)</u>	<u>(3,918)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(29,961)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(29,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(23,637)</u>	<u>13,521</u>	<u>-</u>	<u>14,582</u>	<u>20,603</u>	<u>(2,505)</u>	<u>(3,918)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 30,117</u>	<u>\$ (485)</u>	<u>\$ 14,582</u>	<u>\$ 3,073</u>	<u>\$ (2,505)</u>	<u>\$ (3,918)</u>

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Title I	Title I 2016-2017	Title I-2017-18	IDEA Part B Special Ed Grant	IDEA	Student Support, Title IV	Title II, Part A, Supporting Effective Instruction
Cash and investments - beginning	\$ -	\$ -	\$ (38,299)	\$ -	\$ (11,832)	\$ -	\$ (5,858)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	340,995	-	52,791	44,063	52,530	8,057	20,229
Other receipts	-	-	-	-	-	-	-
Total receipts	340,995	-	52,791	44,063	52,530	8,057	20,229
Disbursements:							
Instruction	343,319	-	23,297	53,319	52,955	8,080	14,371
Support services	5,000	-	-	-	-	-	-
Noninstructional services	537	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	348,856	-	23,297	53,319	52,955	8,080	14,371
Excess (deficiency) of receipts over disbursements	(7,861)	-	29,494	(9,256)	(425)	(23)	5,858
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	8,805	-	12,257	-	-
Transfers out	(8,805)	-	-	(12,257)	-	-	-
Total other financing sources (uses)	(8,805)	-	8,805	(12,257)	12,257	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,666)	-	38,299	(21,513)	11,832	(23)	5,858
Cash and investments - ending	\$ (16,666)	\$ -	\$ -	\$ (21,513)	\$ -	\$ (23)	\$ -

SALEM COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	FFY2018 Title II	Title II,A FFY17	Rural Schools and Low Income Program	Prepaid Lunches	Clearing Accounts	First Harrison Bank Loan	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 16,746	\$ (55,918)	\$ -	\$ 3,976,269
Receipts:							
Local sources	-	-	-	-	-	-	5,868,845
Intermediate sources	-	-	-	-	-	-	221
State sources	-	-	-	-	-	-	12,915,063
Federal sources	57,692	63,446	12,967	-	-	-	1,257,261
Other receipts	-	-	-	271,644	4,183,553	-	4,459,722
Total receipts	57,692	63,446	12,967	271,644	4,183,553	-	24,501,112
Disbursements:							
Instruction	62,621	-	-	-	-	-	9,697,555
Support services	-	-	12,967	-	-	-	6,665,378
Noninstructional services	-	-	-	-	-	-	909,330
Facilities acquisition and construction	-	-	-	-	-	-	685,335
Debt services	-	-	-	-	-	-	2,993,316
Nonprogrammed charges	-	-	-	270,576	4,176,610	-	4,447,186
Total disbursements	62,621	-	12,967	270,576	4,176,610	-	25,398,100
Excess (deficiency) of receipts over disbursements	(4,929)	63,446	-	1,068	6,943	-	(896,988)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	700,827
Sale of capital assets	-	-	-	-	-	-	6
Transfers in	-	-	-	-	-	-	2,272,586
Transfers out	-	(63,446)	-	-	-	-	(2,272,586)
Total other financing sources (uses)	-	(63,446)	-	-	-	-	700,833
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,929)	-	-	1,068	6,943	-	(196,155)
Cash and investments - ending	\$ (4,929)	\$ -	\$ -	\$ 17,814	\$ (48,975)	\$ -	\$ 3,780,114

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SALEM COMMUNITY SCHOOLS
 SCHEDULE OF PAYABLES AND RECEIVABLES
 June 30, 2019

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 304,237</u>	<u>\$ 41,015</u>

SALEM COMMUNITY SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 June 30, 2019

Lessor	Purpose	Annual Lease Payments	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Salem Middle School Building Corporation	Elementary School HVAC Renovation	\$ 135,000	4/8/2013	1/15/2020
Salem High School Building Corporation	High School Renovation	1,189,000	4/1/2016	12/31/2023
Salem Middle School Building Corporation	Middle School Renovation 2012	359,000	8/1/2012	1/15/2025
Salem Middle School Building Corporation	Middle School Renovation 2018	<u>88,000</u>	7/9/2018	12/31/2025
Total of annual lease payments		<u>\$ 1,771,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Bonds Refinancing IN Bond Bank	\$ 100,000	\$ 102,850
General obligation bonds	Saferoom Construction	2,000,000	40,000
Notes and loans payable	Land Payment Trent Nichols	214,061	45,462
Notes and loans payable	Middle School Flood Recovery Loan	<u>645,000</u>	<u>138,450</u>
Total governmental activities		<u>2,959,061</u>	<u>326,762</u>
Totals		<u>\$ 2,959,061</u>	<u>\$ 326,762</u>

SALEM COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2019

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

	Ending Balance
Governmental activities:	
Land	\$ 643,161
Infrastructure	12,301
Buildings	24,590,947
Improvements other than buildings	3,671,102
Machinery, equipment, and vehicles	<u>4,553,463</u>
Total governmental activities	<u>33,470,974</u>
Total capital assets	<u>\$ 33,470,974</u>

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/>.