

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CLAY COMMUNITY SCHOOLS
CLAY COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/21/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Mike Fowler	07-01-10 to 09-30-11
	(Vacant)	10-01-11 to 10-02-11
	Tim Gorman (Interim)	10-03-11 to 12-11-11
	Tim Gorman	12-12-11 to 06-30-13
Superintendent of Schools	Daniel Schroeder	07-01-10 to 12-31-10
	Kimberly Tucker (Interim)	01-01-11 to 06-30-11
	Kimberly Tucker	07-01-11 to 06-30-15
President of the School Board	Robert Miller	07-01-10 to 01-09-13
	Jennifer Kaelber	01-10-13 to 01-09-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Clay Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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, 2010 to June 30, 2012.

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, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2013, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 reports 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.

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 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.

STATE BOARD OF ACCOUNTS

January 24, 2013



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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 CLAY COMMUNITY SCHOOLS, CLAY COUNTY, INDIANA

We have audited the financial statement of the Clay Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated January 24, 2013. 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.

Internal Control Over Financial Reporting

Management of the School Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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 entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2013

FINANCIAL STATEMENT

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

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CLAY COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 4,951,751	\$ 27,006,565	\$ 27,338,246	\$ 11,881	\$ 4,631,951	\$ 26,847,567	\$ 26,664,726	\$ 10,621	\$ 4,825,413
Debt Service	546,587	3,836,131	3,352,394	(32,919)	997,405	4,530,763	3,485,929	(784,220)	1,258,019
Retirement/Severance Bond Debt Service	199,645	359,032	346,975	-	211,702	372,399	350,022	-	234,079
Capital Projects	3,375,061	3,030,218	2,942,552	2,275	3,465,002	3,069,761	2,997,393	16,128	3,553,498
Transportation Operating	1,214,965	2,218,004	2,216,573	78,256	1,294,652	2,393,212	2,280,376	34,369	1,441,857
Transportation Bus Replacement	1,371,655	668,656	618,016	(1,200,000)	222,295	352,057	271,607	1,653	304,398
Rainy Day	3,751,768	-	254,374	1,176,559	4,673,953	1,616,521	1,124,001	723,408	5,889,881
Retirement/Severance Bond	876,495	4,244	-	-	880,739	1,092	-	-	881,831
Construction	8,295,911	26,952	7,862,955	-	459,908	133,169	552,296	-	40,781
School Lunch	520,800	2,079,857	2,096,144	-	504,513	2,134,893	2,033,050	-	606,356
Textbook Rental	16,959	333,639	324,314	32,919	59,203	358,134	467,945	48,644	(1,964)
Levy Excess	45,330	303,109	-	(54,815)	293,624	-	-	-	293,624
Educational License Plates	31,238	1,088	-	-	32,326	1,049	-	-	33,375
Alternative Education	13,615	17,464	14,743	-	16,336	15,893	15,152	-	17,077
Early Intervention Grant	-	-	-	-	-	20,552	20,552	-	-
PDS Site Block Grant	245	-	-	-	245	-	245	-	-
Conference Fund	6,142	-	-	-	6,142	-	45	-	6,097
Transportation to Work Program	2,377	5,388	4,222	-	3,543	7,481	6,743	-	4,281
Community Foundation and Other	3,425	30,598	3,488	-	30,535	2,685	6,697	-	26,523
Clay City High School Fitness Program	4,736	-	4,563	-	173	10,000	5,257	-	4,916
Scholarships and Awards	6,535	-	-	-	6,535	-	-	-	6,535
Teacher Awards	151	2,204	2,244	-	111	-	-	-	111
Barbara Bush Foundation Grant	50,876	50,000	48,776	-	52,100	-	50,336	-	1,764
Lilly Endowment - Community Foundation	3,326	21,386	24,712	-	-	-	-	-	-
Lilly - Earnings From Investments	127,648	271	70,287	-	57,632	42,467	67,462	-	32,637
Gifted Education 2011-2012	5,870	-	5,870	-	-	42,498	36,705	-	5,793
Gifted Education 2010-2011	-	44,176	37,639	-	6,537	-	6,537	-	-
Extra-Curricular LEAAP Center	3,020	2,700	261	-	5,459	2,290	2,708	-	5,041
Non-English Speaking Program	1,030	1,832	2,862	-	-	358	-	-	358
School Technology	375,968	27,168	401,257	-	1,879	384,896	23,764	-	363,011
Access Indiana Grant	3,620	-	3,620	-	-	-	-	-	-
Family Literacy - DCS Grant	12,247	20,371	31,706	-	912	21,474	27,650	-	(5,264)
Excess PTRC Distributions	34,443	-	-	-	34,443	-	-	(34,443)	-
ESEA Title I FY 2011-2012	337,673	71,597	409,268	-	2	568,091	661,823	-	(93,730)
ECIA Title I FY 2010-2011	-	628,097	631,136	-	(3,039)	222,427	219,388	-	-
Special Education FY 2011-2012	-	-	-	-	-	713,483	821,219	-	(107,736)
Special Education FY 2009-2010	102,435	200,000	302,435	-	-	-	-	-	-
Special Education FY 2010-2011	-	679,863	715,478	-	(35,615)	406,294	370,679	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	22,629	28,595	50,714	-	510	48,578	55,839	-	(6,751)
Adult Education and Family Literacy, Title II	-	9,906	16,303	-	(6,397)	24,254	21,245	-	(3,388)
Drug Free 2009-2010	4,034	-	3,905	-	129	-	129	-	-
Drug Free 2010-2011	-	8,150	8,156	-	(6)	15,722	15,716	-	-
Project Respect P2P 2006-2007	1,631	-	635	-	996	-	996	-	-
Carl D. Perkins Act FY 2010-2011	-	52,937	63,633	-	(10,696)	20,403	9,707	-	-
Carl D. Perkins Act FY 2011-2012	8,411	-	8,410	-	1	23,568	51,861	-	(28,292)
Disaster Expense - Lightning	21,728	-	-	-	21,728	-	-	-	21,728
Improving Teaching Quality, No Child Left Behind, Title II, Part A LEA - Title I Stimulus	25 4,195	215,224 105,725	216,839 109,862	-	(1,590) 58	163,272 71,603	201,519 71,661	-	(39,837) -
Special Education - Stimulus	(48,688)	563,345	538,942	-	(24,285)	58,335	34,050	-	-
Education Technology - Stimulus	15,372	12,000	27,309	-	63	30,468	30,531	-	-
Education Jobs	-	-	-	-	-	872,553	872,553	-	-
Totals	\$ 26,322,884	\$ 42,666,492	\$ 51,111,818	\$ 14,156	\$ 17,891,714	\$ 45,600,262	\$ 43,936,114	\$ 16,160	\$ 19,572,022

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

CLAY 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, 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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 which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include 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 which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money 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 which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money 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 money 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 March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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.

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 an agent 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
1 North Capital Street, 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.

B. Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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

CLAY COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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
1 North Capital Street, 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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are 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 supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	Transportation Operating	Transportation Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 4,951,751	\$ 546,587	\$ 199,645	\$ 3,375,061	\$ 1,214,965	\$ 1,371,655	\$ 3,751,768	\$ 876,495	\$ 8,295,911
Receipts:									
Local sources	207,531	3,836,131	359,032	3,013,013	2,217,988	668,656	-	4,244	8,779
Intermediate sources	182	-	-	-	-	-	-	-	-
State sources	26,796,114	-	-	-	-	-	-	-	-
Federal sources	2,275	-	-	6,590	-	-	-	-	-
Other	463	-	-	10,615	16	-	-	-	18,173
Total receipts	27,006,565	3,836,131	359,032	3,030,218	2,218,004	668,656	-	4,244	26,952
Disbursements:									
Current:									
Instruction	19,825,430	-	-	-	-	-	208,808	-	-
Support services	7,215,337	-	-	1,882,276	2,216,573	618,016	13,265	-	6,391
Noninstructional services	257,479	-	-	-	-	-	-	-	-
Facilities acquisition and construction	40,000	-	-	1,060,276	-	-	32,301	-	7,856,564
Debt services	-	3,352,394	346,975	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	27,338,246	3,352,394	346,975	2,942,552	2,216,573	618,016	254,374	-	7,862,955
Excess (deficiency) of receipts over disbursements	(331,681)	483,737	12,057	87,666	1,431	50,640	(254,374)	4,244	(7,836,003)
Other financing sources (uses):									
Sale of capital assets	11,881	-	-	2,275	-	-	-	-	-
Transfers in	-	-	-	-	78,256	-	1,200,000	-	-
Transfers out	-	(32,919)	-	-	-	(1,200,000)	(23,441)	-	-
Total other financing sources (uses)	11,881	(32,919)	-	2,275	78,256	(1,200,000)	1,176,559	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(319,800)	450,818	12,057	89,941	79,687	(1,149,360)	922,185	4,244	(7,836,003)
Cash and investments - ending	\$ 4,631,951	\$ 997,405	\$ 211,702	\$ 3,465,002	\$ 1,294,652	\$ 222,295	\$ 4,673,953	\$ 880,739	\$ 459,908

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	PDS Site Block Grant	Conference Fund	Transportation to Work Program
Cash and investments - beginning	\$ 520,800	\$ 16,959	\$ 45,330	\$ 31,238	\$ 13,615	\$ 245	\$ 6,142	\$ 2,377
Receipts:								
Local sources	863,630	187,584	303,109	-	-	-	-	5,388
Intermediate sources	-	-	-	1,088	-	-	-	-
State sources	18,071	146,055	-	-	17,464	-	-	-
Federal sources	1,198,156	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>2,079,857</u>	<u>333,639</u>	<u>303,109</u>	<u>1,088</u>	<u>17,464</u>	<u>-</u>	<u>-</u>	<u>5,388</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	14,743	-	-	4,222
Support services	75	324,314	-	-	-	-	-	-
Noninstructional services	2,096,069	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>2,096,144</u>	<u>324,314</u>	<u>-</u>	<u>-</u>	<u>14,743</u>	<u>-</u>	<u>-</u>	<u>4,222</u>
Excess (deficiency) of receipts over disbursements	<u>(16,287)</u>	<u>9,325</u>	<u>303,109</u>	<u>1,088</u>	<u>2,721</u>	<u>-</u>	<u>-</u>	<u>1,166</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	32,919	-	-	-	-	-	-
Transfers out	-	-	(54,815)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>32,919</u>	<u>(54,815)</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>(16,287)</u>	<u>42,244</u>	<u>248,294</u>	<u>1,088</u>	<u>2,721</u>	<u>-</u>	<u>-</u>	<u>1,166</u>
Cash and investments - ending	<u>\$ 504,513</u>	<u>\$ 59,203</u>	<u>\$ 293,624</u>	<u>\$ 32,326</u>	<u>\$ 16,336</u>	<u>\$ 245</u>	<u>\$ 6,142</u>	<u>\$ 3,543</u>

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Community Foundation and Other	Clay City High School Fitness Program	Scholarships and Awards	Teacher Awards	Barbara Bush Foundation Grant	Lilly Endowment - Community Foundation	Lilly - Earnings From Investments	Gifted Education 2011-2012
Cash and investments - beginning	\$ 3,425	\$ 4,736	\$ 6,535	\$ 151	\$ 50,876	\$ 3,326	\$ 127,648	\$ 5,870
Receipts:								
Local sources	30,598	-	-	2,204	50,000	21,386	271	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	30,598	-	-	2,204	50,000	21,386	271	-
Disbursements:								
Current:								
Instruction	-	-	-	27	47,663	22,596	45,784	3,996
Support services	163	-	-	2,217	1,113	2,116	20,449	1,874
Noninstructional services	3,325	4,563	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	4,054	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	3,488	4,563	-	2,244	48,776	24,712	70,287	5,870
Excess (deficiency) of receipts over disbursements	27,110	(4,563)	-	(40)	1,224	(3,326)	(70,016)	(5,870)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,110	(4,563)	-	(40)	1,224	(3,326)	(70,016)	(5,870)
Cash and investments - ending	\$ 30,535	\$ 173	\$ 6,535	\$ 111	\$ 52,100	\$ -	\$ 57,632	\$ -

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Gifted Education 2010-2011	Extra- Curricular LEAAP Center	Non-English Speaking Program	School Technology	Access Indiana Grant	Family Literacy - DCS Grant	Excess PTRC Distributions	ESEA Title I FY 2011-2012
Cash and investments - beginning	\$ -	\$ 3,020	\$ 1,030	\$ 375,968	\$ 3,620	\$ 12,247	\$ 34,443	\$ 337,673
Receipts:								
Local sources	-	2,700	-	21,414	-	20,371	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	44,176	-	1,832	5,754	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	44,176	2,700	1,832	27,168	-	20,371	-	-
Disbursements:								
Current:								
Instruction	35,092	-	2,862	-	622	-	-	289,916
Support services	2,547	-	-	-	2,998	-	-	43,251
Noninstructional services	-	261	-	-	-	31,706	-	4,504
Facilities acquisition and construction	-	-	-	401,257	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	37,639	261	2,862	401,257	3,620	31,706	-	337,671
Excess (deficiency) of receipts over disbursements	6,537	2,439	(1,030)	(374,089)	(3,620)	(11,335)	-	(337,671)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,537	2,439	(1,030)	(374,089)	(3,620)	(11,335)	-	(337,671)
Cash and investments - ending	\$ 6,537	\$ 5,459	\$ -	\$ 1,879	\$ -	\$ 912	\$ 34,443	\$ 2

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	ECIA Title I FY 2010-2011	Special Education FY 2009-2011	Special Education FY 2010-2011	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Adult Education and Family Literacy, Title II	Drug-Free 2009-2010	Drug-Free 2010-2011	Project Respect P2P 2006-2007
Cash and investments - beginning	\$ -	\$ 102,435	\$ -	\$ 22,629	\$ -	\$ 4,034	\$ -	\$ 1,631
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	628,097	200,000	679,863	28,595	9,906	-	8,150	-
Other	-	-	-	-	-	-	-	-
Total receipts	628,097	200,000	679,863	28,595	9,906	-	8,150	-
Disbursements:								
Current:								
Instruction	471,759	234,526	575,759	50,714	15,864	3,905	7,464	-
Support services	147,695	67,909	139,719	-	439	-	692	-
Noninstructional services	11,682	-	-	-	-	-	-	635
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	631,136	302,435	715,478	50,714	16,303	3,905	8,156	635
Excess (deficiency) of receipts over disbursements	(3,039)	(102,435)	(35,615)	(22,119)	(6,397)	(3,905)	(6)	(635)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,039)	(102,435)	(35,615)	(22,119)	(6,397)	(3,905)	(6)	(635)
Cash and investments - ending	\$ (3,039)	\$ -	\$ (35,615)	\$ 510	\$ (6,397)	\$ 129	\$ (6)	\$ 996

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Carl D. Perkins Act FY 2010-2011	Carl D. Perkins Act FY 2011-2012	Disaster Expense - Lightning	Improving Teaching Quality, No Child Left Behind, Title II, Part A	LEA - Title I Stimulus	Special Education - Stimulus	Education Technology - Stimulus	Totals
Cash and investments - beginning	\$ -	\$ 8,411	\$ 21,728	\$ 25	\$ 4,195	\$ (48,688)	\$ 15,372	\$ 26,322,884
Receipts:								
Local sources	-	-	-	-	-	-	-	11,824,029
Intermediate sources	-	-	-	-	-	-	-	1,270
State sources	-	-	-	-	-	-	-	27,029,466
Federal sources	52,937	-	-	215,224	105,725	563,345	12,000	3,710,863
Other	-	-	-	-	-	-	-	29,267
Total receipts	52,937	-	-	215,224	105,725	563,345	12,000	42,594,895
Disbursements:								
Current:								
Instruction	41,202	1,510	-	202,049	44,112	354,181	-	22,504,806
Support services	22,431	6,900	-	14,790	65,750	167,590	10,878	12,997,768
Noninstructional services	-	-	-	-	-	-	-	2,410,224
Facilities acquisition and construction	-	-	-	-	-	-	16,431	9,410,883
Debt services	-	-	-	-	-	-	-	3,699,369
Nonprogrammed charges	-	-	-	-	-	17,171	-	17,171
Total disbursements	63,633	8,410	-	216,839	109,862	538,942	27,309	51,040,221
Excess (deficiency) of receipts over disbursements	(10,696)	(8,410)	-	(1,615)	(4,137)	24,403	(15,309)	(8,445,326)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	14,156
Transfers in	-	-	-	-	-	-	-	1,311,175
Transfers out	-	-	-	-	-	-	-	(1,311,175)
Total other financing sources (uses)	-	-	-	-	-	-	-	14,156
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,696)	(8,410)	-	(1,615)	(4,137)	24,403	(15,309)	(8,431,170)
Cash and investments - ending	\$ (10,696)	\$ 1	\$ 21,728	\$ (1,590)	\$ 58	\$ (24,285)	\$ 63	\$ 17,891,714

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	Transportation Operating	Transportation Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 4,631,951	\$ 997,405	\$ 211,702	\$ 3,465,002	\$ 1,294,652	\$ 222,295	\$ 4,673,953	\$ 880,739	\$ 459,908
Receipts:									
Local sources	222,333	4,530,763	372,399	3,069,674	2,391,532	352,057	1,616,521	1,092	133,169
Intermediate sources	113	-	-	-	-	-	-	-	-
State sources	26,622,136	-	-	-	-	-	-	-	-
Federal sources	2,925	-	-	-	-	-	-	-	-
Other	60	-	-	87	1,680	-	-	-	-
Total receipts	26,847,567	4,530,763	372,399	3,069,761	2,393,212	352,057	1,616,521	1,092	133,169
Disbursements:									
Current:									
Instruction	18,792,505	-	-	-	-	-	200,240	-	-
Support services	7,631,620	-	-	1,723,014	2,280,376	271,607	63,819	-	-
Noninstructional services	239,601	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,274,379	-	-	859,942	-	552,296
Debt services	1,000	3,485,929	350,022	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	26,664,726	3,485,929	350,022	2,997,393	2,280,376	271,607	1,124,001	-	552,296
Excess (deficiency) of receipts over disbursements	182,841	1,044,834	22,377	72,368	112,836	80,450	492,520	1,092	(419,127)
Other financing sources (uses):									
Sale of capital assets	10,621	-	-	5,539	-	-	-	-	-
Transfers in	-	14,424	-	10,589	34,369	1,653	750,000	-	-
Transfers out	-	(798,644)	-	-	-	-	(26,592)	-	-
Total other financing sources (uses)	10,621	(784,220)	-	16,128	34,369	1,653	723,408	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	193,462	260,614	22,377	88,496	147,205	82,103	1,215,928	1,092	(419,127)
Cash and investments - ending	\$ 4,825,413	\$ 1,258,019	\$ 234,079	\$ 3,553,498	\$ 1,441,857	\$ 304,398	\$ 5,889,881	\$ 881,831	\$ 40,781

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	PDS Site Block Grant	Conference Fund
Cash and investments - beginning	\$ 504,513	\$ 59,203	\$ 293,624	\$ 32,326	\$ 16,336	\$ -	\$ 245	\$ 6,142
Receipts:								
Local sources	838,536	183,547	-	-	-	-	-	-
Intermediate sources	-	-	-	1,049	-	-	-	-
State sources	18,458	174,587	-	-	15,893	20,552	-	-
Federal sources	1,277,899	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>2,134,893</u>	<u>358,134</u>	<u>-</u>	<u>1,049</u>	<u>15,893</u>	<u>20,552</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	15,152	20,552	245	-
Support services	75	467,945	-	-	-	-	-	45
Noninstructional services	2,032,975	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>2,033,050</u>	<u>467,945</u>	<u>-</u>	<u>-</u>	<u>15,152</u>	<u>20,552</u>	<u>245</u>	<u>45</u>
Excess (deficiency) of receipts over disbursements	<u>101,843</u>	<u>(109,811)</u>	<u>-</u>	<u>1,049</u>	<u>741</u>	<u>-</u>	<u>(245)</u>	<u>(45)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	48,644	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>48,644</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>101,843</u>	<u>(61,167)</u>	<u>-</u>	<u>1,049</u>	<u>741</u>	<u>-</u>	<u>(245)</u>	<u>(45)</u>
Cash and investments - ending	<u>\$ 606,356</u>	<u>\$ (1,964)</u>	<u>\$ 293,624</u>	<u>\$ 33,375</u>	<u>\$ 17,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,097</u>

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Transportation to Work Program	Community Foundation and Other	Clay City High School Fitness Program	Scholarships and Awards	Teacher Awards	Barbara Bush Foundation Grant	Lilly - Earnings From Investments	Gifted Education 2011-2012
Cash and investments - beginning	\$ 3,543	\$ 30,535	\$ 173	\$ 6,535	\$ 111	\$ 52,100	\$ 57,632	\$ -
Receipts:								
Local sources	7,481	2,685	10,000	-	-	-	42,467	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	42,498
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	7,481	2,685	10,000	-	-	-	42,467	42,498
Disbursements:								
Current:								
Instruction	6,743	-	-	-	-	49,694	44,943	36,705
Support services	-	493	-	-	-	642	18,802	-
Noninstructional services	-	6,204	5,257	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	3,717	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,743	6,697	5,257	-	-	50,336	67,462	36,705
Excess (deficiency) of receipts over disbursements	738	(4,012)	4,743	-	-	(50,336)	(24,995)	5,793
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	738	(4,012)	4,743	-	-	(50,336)	(24,995)	5,793
Cash and investments - ending	\$ 4,281	\$ 26,523	\$ 4,916	\$ 6,535	\$ 111	\$ 1,764	\$ 32,637	\$ 5,793

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Gifted Education 2010-2011	Extra- Curricular LEAAP Center	Non-English Speaking Program	School Technology	Family Literacy - DCS Grant	Excess PTRC Distributions	ESEA Title I FY 2011-2012	ECIA Title I FY 2010-2011
Cash and investments - beginning	\$ 6,537	\$ 5,459	\$ -	\$ 1,879	\$ 912	\$ 34,443	\$ 2	\$ (3,039)
Receipts:								
Local sources	-	2,290	-	380,705	21,474	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	358	4,191	-	-	-	-
Federal sources	-	-	-	-	-	-	568,091	222,427
Other	-	-	-	-	-	-	-	-
Total receipts	-	2,290	358	384,896	21,474	-	568,091	222,427
Disbursements:								
Current:								
Instruction	6,537	-	-	-	-	-	506,501	173,441
Support services	-	-	-	-	-	-	138,594	43,432
Noninstructional services	-	2,708	-	-	27,650	-	16,728	2,515
Facilities acquisition and construction	-	-	-	23,764	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,537	2,708	-	23,764	27,650	-	661,823	219,388
Excess (deficiency) of receipts over disbursements	(6,537)	(418)	358	361,132	(6,176)	-	(93,732)	3,039
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(34,443)	-	-
Total other financing sources (uses)	-	-	-	-	-	(34,443)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,537)	(418)	358	361,132	(6,176)	(34,443)	(93,732)	3,039
Cash and investments - ending	\$ -	\$ 5,041	\$ 358	\$ 363,011	\$ (5,264)	\$ -	\$ (93,730)	\$ -

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Special Education FY 2011-2012	Special Education FY 2010-2011	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Adult Education and Family Literacy, Title II	Drug-Free 2009-2010	Drug-Free 2010-2011	Project Respect P2P 2006-2007	Carl D. Perkins Act FY 2010-2011
Cash and investments - beginning	\$ -	\$ (35,615)	\$ 510	\$ (6,397)	\$ 129	\$ (6)	\$ 996	\$ (10,696)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	713,483	406,294	48,578	24,254	-	15,722	-	20,403
Other	-	-	-	-	-	-	-	-
Total receipts	713,483	406,294	48,578	24,254	-	15,722	-	20,403
Disbursements:								
Current:								
Instruction	677,462	307,952	55,839	19,294	-	13,052	-	6,511
Support services	143,757	62,727	-	1,951	-	2,664	-	3,196
Noninstructional services	-	-	-	-	-	-	996	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	129	-	-	-
Total disbursements	821,219	370,679	55,839	21,245	129	15,716	996	9,707
Excess (deficiency) of receipts over disbursements	(107,736)	35,615	(7,261)	3,009	(129)	6	(996)	10,696
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(107,736)	35,615	(7,261)	3,009	(129)	6	(996)	10,696
Cash and investments - ending	\$ (107,736)	\$ -	\$ (6,751)	\$ (3,388)	\$ -	\$ -	\$ -	\$ -

CLAY COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Carl D. Perkins Act FY 2011-2012	Disaster Expense - Lightning	Improving Teaching Quality, No Child Left Behind, Title II, Part A	LEA - Title I Stimulus	Special Education - Stimulus	Education Technology - Stimulus	Education Jobs	Totals
Cash and investments - beginning	\$ 1	\$ 21,728	\$ (1,590)	\$ 58	\$ (24,285)	\$ 63	\$ -	\$ 17,891,714
Receipts:								
Local sources	-	-	-	-	-	-	-	14,178,725
Intermediate sources	-	-	-	-	-	-	-	1,162
State sources	-	-	-	-	-	-	-	26,898,673
Federal sources	23,568	-	163,272	71,603	58,335	30,468	872,553	4,519,875
Other	-	-	-	-	-	-	-	1,827
Total receipts	23,568	-	163,272	71,603	58,335	30,468	872,553	45,600,262
Disbursements:								
Current:								
Instruction	30,059	-	173,735	71,661	25,714	-	796,947	22,031,484
Support services	21,802	-	27,784	-	8,336	30,531	75,606	13,018,818
Noninstructional services	-	-	-	-	-	-	-	2,334,634
Facilities acquisition and construction	-	-	-	-	-	-	-	2,714,098
Debt services	-	-	-	-	-	-	-	3,836,951
Nonprogrammed charges	-	-	-	-	-	-	-	129
Total disbursements	51,861	-	201,519	71,661	34,050	30,531	872,553	43,936,114
Excess (deficiency) of receipts over disbursements	(28,293)	-	(38,247)	(58)	24,285	(63)	-	1,664,148
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	16,160
Transfers in	-	-	-	-	-	-	-	859,679
Transfers out	-	-	-	-	-	-	-	(859,679)
Total other financing sources (uses)	-	-	-	-	-	-	-	16,160
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,293)	-	(38,247)	(58)	24,285	(63)	-	1,680,308
Cash and investments - ending	\$ (28,292)	\$ 21,728	\$ (39,837)	\$ -	\$ -	\$ -	\$ -	\$ 19,572,022

CLAY COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
JUNE 30, 2012

Lessor	Purpose	Annual * Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Clay Community School Multi School Building Corporation	School Renovations	<u>\$ 3,128,000</u>	12-09-09	07-15-18

*Lease amount paid in fiscal year 2012-13
Note: Annual lease payments range from \$827,000 to \$3,594,000.

Description of Debt Type	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 1,033,333	\$ 245,933
General obligation bonds	1,525,000	347,057
Other Debt		
- Payable by Multi School Building Corp	16,835,000	3,125,025
- Guarantee Energy Savings Contract	<u>732,832</u>	<u>261,438</u>
Totals	<u>\$ 20,126,165</u>	<u>\$ 3,979,453</u>

CLAY COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 JUNE 30, 2012

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	\$ 56,762
Buildings	80,360,523
Improvements other than buildings	2,936,777
Machinery, equipment and vehicles	10,547,947
Total capital assets	\$ 93,902,009

CLAY COMMUNITY SCHOOLS
AUDIT RESULT AND COMMENT

OLD OUTSTANDING CHECKS (Applies to Eastside Elementary and Van Buren Elementary)

Our review of the bank reconcilements as of May 31, 2012, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Clay Community Schools (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the 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, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, 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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

CLAY COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555		\$ 929,210	\$ 966,652
School Breakfast Program	10.553		<u>268,946</u>	<u>300,401</u>
Total for cluster			<u>1,198,156</u>	<u>1,267,053</u>
Fresh Fruit and Vegetable Program	10.582		-	<u>10,702</u>
Total for federal grantor agency			<u>1,198,156</u>	<u>1,277,755</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	14210-007-PN01	302,435	-
		14211-007-PN01	715,473	370,684
		14212-007-PN01	<u>-</u>	<u>821,219</u>
Total for program			<u>1,017,908</u>	<u>1,191,903</u>
Special Education - Preschool Grants	84.173	14210-007-PN01	-	21,244
		14211-007-PN01	16,304	18,467
		14212-007-PN01	<u>50,715</u>	<u>37,372</u>
Total for program			<u>67,019</u>	<u>77,083</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391		<u>538,942</u>	<u>34,050</u>
Total for cluster			<u>1,623,869</u>	<u>1,303,036</u>
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	10-1125	266,076	-
		11-1125	631,136	219,388
		12-1125	<u>-</u>	<u>661,821</u>
Total for program			<u>897,212</u>	<u>881,209</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>109,862</u>	<u>71,661</u>
Total for cluster			<u>897,212</u>	<u>881,209</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	09-1125	3,905	129
		10-1125	<u>8,157</u>	<u>15,715</u>
Total for program			<u>12,062</u>	<u>15,844</u>
Improving Teacher Quality State Grants	84.367		<u>216,840</u>	<u>201,518</u>
Education Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386		<u>27,308</u>	<u>30,533</u>
Total for cluster			<u>27,308</u>	<u>30,533</u>
Education Jobs Fund	84.410		-	<u>872,553</u>
Pass-Through Vigo County School Corporation				
Career and Technical Education - Basic Grants to States	84.048	FY 09-10	8,411	-
		FY 10-11	63,633	9,707
		FY 11-12	<u>-</u>	<u>51,860</u>
Total for program			<u>72,044</u>	<u>61,567</u>
Total for federal grantor agency			<u>2,959,197</u>	<u>3,437,921</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana State Department of Health				
Affordable Care Act (ACA) Abstinence Education Block Grant	93.235		<u>635</u>	<u>996</u>
Total federal awards expended			<u>\$ 4,157,988</u>	<u>\$ 4,716,672</u>

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

CLAY COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Clay Community Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
National School Lunch Program	10.555	\$ 140,700	\$ 155,225

CLAY COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
84.367	Improving Teacher Quality State Grants
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CLAY COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2013, with Kimberly Tucker, Superintendent of Schools; Tim Gorman, Business Manager/Treasurer; Jennifer Kaelber, President of the School Board; and Tom Reberger, School Board Member. The officials concurred with our audit finding.