

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JAY SCHOOL CORPORATION
JAY COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/26/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bradley T. DeRome	07-01-10 to 06-30-15
Superintendent of Schools	Timothy D. Long	07-01-10 to 06-30-16
President of the School Board	Bryan K. Alexander Gregory E. Wellman	01-01-10 to 12-31-10 01-01-11 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE JAY SCHOOL CORPORATION, JAY COUNTY, INDIANA

We have audited the accompanying financial statement of the Jay School Corporation (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.

In accordance with Government Auditing Standards, we have also issued a report dated February 7, 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 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.

STATE BOARD OF ACCOUNTS

February 7, 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 JAY SCHOOL CORPORATION, JAY COUNTY, INDIANA

We have audited the financial statement of the Jay School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 7, 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

February 7, 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.

JAY SCHOOL CORPORATION
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	\$ 2,121,306	\$ 23,879,721	\$ 25,046,713	\$ 105,813	\$ 1,060,127	\$ 24,384,791	\$ 24,316,360	\$ 94,485	\$ 1,223,043
Debt Service	2,089,315	3,512,518	3,464,779	(279,822)	1,857,232	3,766,887	3,524,917	(65,290)	2,033,912
Retirement/Severance Bond Debt Service	564,952	956,122	976,829	-	544,245	971,934	981,473	-	534,706
Capital Projects	1,580,353	4,055,336	4,377,669	(106,685)	1,151,335	3,743,839	3,796,157	37,117	1,136,134
School Transportation	632,840	2,060,990	2,121,827	(50,000)	522,003	2,164,708	2,307,356	-	379,355
School Bus Replacement	680,107	221,454	14,470	-	887,091	46,011	136,879	-	796,223
Rainy Day	102,473	-	244,682	300,000	157,791	-	149,895	25,000	32,896
Retirement/Severance Bond	957,086	6,185	259,341	-	703,930	3,627	209,820	-	497,737
School Lunch	122,480	1,644,803	1,640,655	-	126,628	1,707,107	1,688,100	-	145,635
Textbook Rental	753,910	309,217	266,163	14,516	811,480	274,379	456,464	40,290	669,685
Self-Insurance	1,695,623	6,423,479	7,422,179	-	696,923	6,047,133	5,537,921	-	1,206,135
Levy Excess	59	37,058	-	-	37,117	-	-	(37,117)	-
Educational License Plates	2,573	450	2,375	-	648	413	672	-	389
Safe Haven Grant FY 2010-11	-	20,659	35,480	14,821	-	15,276	492	(14,784)	-
Early Intervention Grant	43,407	-	11,521	-	31,886	-	19,837	-	12,049
Early Literacy Intervention	-	-	-	-	-	35,989	35,989	-	-
Early Intervention FY 2011-12	-	-	-	-	-	102,214	98,588	9	3,635
Professional Development Writing Program	(494)	494	-	-	-	-	-	-	-
Patriots Remembered	400	-	310	-	90	-	-	-	90
Character Counts	425	-	-	-	425	-	425	-	-
Video Self-Modeling Autism	2,900	-	-	-	2,900	-	2,495	-	405
Preschool Instruction Support	1,618	4,605	4,057	-	2,166	4,760	3,691	-	3,235
Child Development Preschool	1,181	2,250	-	-	3,431	2,710	731	-	5,410
Elementary Donation	3,980	47,094	34,855	-	16,219	72,782	77,614	(5,000)	6,387
Charity Gaming	-	1,066	1,066	-	-	983	983	-	-
Alternative Placement Donation	150	-	-	-	150	445	595	-	-
Employee Flu Vaccine	3,000	710	2,387	-	1,323	2,250	1,775	(1,018)	780
Graphic Arts Donation	-	230	-	-	230	-	230	-	-
Criminal Background Checks	158	3,388	2,493	-	1,053	3,599	3,943	-	709
Alternative School Donation	100	50	100	-	50	-	50	-	-
Indiana China Initiative	-	32,029	31,308	-	721	54,906	54,956	-	671
Taiwan 2012	-	-	-	-	-	85	85	-	-
Gifted and Talented FY 2009-10	894	-	894	-	-	-	-	-	-
Gifted and Talented FY 2010-11	-	40,320	35,558	-	4,762	-	4,762	-	-
Gifted and Talented FY 2011-12	-	-	-	-	-	39,170	34,299	-	4,871
VIE Greenhouse	875	1,828	2,267	-	436	1,394	597	-	1,233
Animal Husbandry	8	-	-	-	8	-	-	-	8
Vocational Industrial Education	751	9,258	9,238	229	1,000	8,251	9,019	-	232
Vocational Home Economics	2,034	-	-	(229)	1,805	303	874	-	1,234
Adult and Continuing Education	2,379	-	-	-	2,379	24,000	5,805	-	20,574
Drug Free Communities	250	-	-	(250)	-	-	-	-	-
ECA Coca-Cola	4,574	7,798	1,763	(400)	10,209	7,683	15,097	-	2,795
Administrative Office Concessions	31	431	808	400	54	502	432	-	124

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

JAY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	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
Non-English Speaking FY 2010-11	-	12,824	12,824	-	-	-	-	-	-
Non-English Speaking FY 2011-12	-	-	-	-	-	10,040	10,040	-	-
School Technology	52,693	65,910	62,890	-	55,713	58,229	97,571	-	16,371
Miscellaneous Programs	29	-	-	-	29	-	-	-	29
Title I FY 2007-08	-	1,215	-	(1,215)	-	-	-	-	-
Title I FY 2009-10	234,070	39,987	147,559	(126,498)	-	-	-	-	-
Title I FY 2010-11	-	592,659	726,703	134,044	-	436,106	422,370	(13,736)	-
Title I FY 2011-12	-	-	-	-	-	764,531	770,930	6,399	-
P.L. 105-17 FY 2008-09	-	56	-	(56)	-	-	-	-	-
P.L. 105-17 FY 2009-10	82,719	-	82,719	-	-	-	-	-	-
P.L. 105-17 FY 2010-11	-	731,989	731,589	-	400	131,021	131,421	-	-
P.L. 105-17 FY 2011-12	-	-	-	-	-	707,078	706,894	-	184
Preschool Handicapped FY 2009-10	(3,751)	3,751	-	-	-	-	-	-	-
Preschool Handicapped FY 2010-11	-	57,337	57,721	384	-	384	-	(384)	-
Preschool Handicapped FY 2011-12	-	-	-	-	-	44,563	42,753	-	1,810
Adult Basic Education FY 2009-10	9,587	-	9,587	-	-	-	-	-	-
Adult Basic Education FY 2010-11	-	12,834	24,253	11,419	-	27,914	16,495	(11,419)	-
Adult Basic Education FY 2011-12	-	-	-	-	-	24,953	30,602	5,649	-
Title IV, Part A FY 2009-10	6,515	-	2,562	-	3,953	-	3,953	-	-
PLTW Engineering FY 2009-10	(15,000)	15,000	-	-	-	-	-	-	-
PLTW Biomedical FY 2009-10	(20,000)	20,000	-	-	-	-	-	-	-
PLTW Biomedical FY 2010-11	-	4,820	4,903	83	-	10,180	1,250	(8,930)	-
PLTW Engineering FY 2010-11	-	5,741	7,038	1,297	-	9,260	-	(9,260)	-
PLTW Engineering FY 2011-12	-	-	-	-	-	117,780	103,769	(14,011)	-
Area 18 Leadership Academy	100	-	-	-	100	-	-	-	100
CTE First Robotics Grant	(8,480)	8,480	-	-	-	-	-	-	-
Area 18 Vocational FY 2010-11	-	82,151	82,178	2,755	2,728	-	-	(2,728)	-
Area 18 Vocational FY 2011-12	-	-	-	-	-	67,007	67,007	-	-
Reading is Fundamental	715	3,425	3,054	-	1,086	4,124	3,689	-	1,521
Title II, Part A FY 2009-10	114,937	-	109,170	(5,767)	-	-	-	-	-
Title II, Part A FY 2010-11	-	48,115	48,081	-	34	149,525	157,464	7,905	-
Title II, Part A FY 2011-12	-	-	-	-	-	95,726	95,726	-	-
Rural Schools and Low Income Program	-	-	-	-	-	61,218	61,218	-	-
Title III FY 2010-11	-	14,140	14,140	-	-	-	-	-	-
ARRA - Title I	53,476	43,458	22,346	-	74,588	-	74,788	200	-
ARRA - Special Education	45,991	176,224	227,796	5,581	-	106,388	100,807	(5,581)	-
ARRA - Special Education Preschool	(3,212)	6,581	3,369	-	-	3,886	3,886	-	-
Education Jobs	-	355,000	355,245	245	-	400,474	401,949	1,475	-
Prepaid Food	26,167	424,649	434,229	-	16,587	550,884	555,376	-	12,095
Payroll	89,719	7,340,316	7,231,191	-	198,844	6,893,676	7,011,149	-	81,371
Totals	\$ 12,037,973	\$ 53,346,205	\$ 56,412,934	\$ 20,665	\$ 8,991,909	\$ 54,163,078	\$ 54,350,485	\$ 29,271	\$ 8,833,773

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

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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.

JAY SCHOOL CORPORATION
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.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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, funds held temporarily for an authorized recipient 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.

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 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.

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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 is 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.

JAY SCHOOL CORPORATION
 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	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 2,121,306	\$ 2,089,315	\$ 564,952	\$ 1,580,353	\$ 632,840	\$ 680,107	\$ 102,473	\$ 957,086	\$ 122,480
Receipts:									
Local sources	297,921	3,512,518	956,122	3,146,287	2,060,130	221,454	-	6,185	614,801
Intermediate sources	913	-	-	-	-	-	-	-	-
State sources	23,580,887	-	-	5,135	-	-	-	-	15,629
Federal sources	-	-	-	-	-	-	-	-	985,530
Temporary loans	-	-	-	900,000	-	-	-	-	-
Other	-	-	-	3,914	860	-	-	-	28,843
Total receipts	<u>23,879,721</u>	<u>3,512,518</u>	<u>956,122</u>	<u>4,055,336</u>	<u>2,060,990</u>	<u>221,454</u>	<u>-</u>	<u>6,185</u>	<u>1,644,803</u>
Disbursements:									
Current:									
Instruction	17,219,684	-	-	-	-	-	-	257,741	-
Support services	7,358,072	-	-	1,959,219	2,037,739	14,470	244,682	1,600	-
Noninstructional services	451,532	-	-	-	-	-	-	-	1,640,655
Facilities acquisition and construction	-	-	-	1,418,450	84,088	-	-	-	-
Debt services	17,425	3,464,779	976,829	1,000,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>25,046,713</u>	<u>3,464,779</u>	<u>976,829</u>	<u>4,377,669</u>	<u>2,121,827</u>	<u>14,470</u>	<u>244,682</u>	<u>259,341</u>	<u>1,640,655</u>
Excess (deficiency) of receipts over disbursements	<u>(1,166,992)</u>	<u>47,739</u>	<u>(20,707)</u>	<u>(322,333)</u>	<u>(60,837)</u>	<u>206,984</u>	<u>(244,682)</u>	<u>(253,156)</u>	<u>4,148</u>
Other financing sources (uses):									
Sale of capital assets	20,665	-	-	-	-	-	-	-	-
Transfers in	204,628	-	-	74,630	-	-	300,000	-	-
Transfers out	<u>(119,480)</u>	<u>(279,822)</u>	<u>-</u>	<u>(181,315)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>105,813</u>	<u>(279,822)</u>	<u>-</u>	<u>(106,685)</u>	<u>(50,000)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,061,179)</u>	<u>(232,083)</u>	<u>(20,707)</u>	<u>(429,018)</u>	<u>(110,837)</u>	<u>206,984</u>	<u>55,318</u>	<u>(253,156)</u>	<u>4,148</u>
Cash and investments - ending	<u>\$ 1,060,127</u>	<u>\$ 1,857,232</u>	<u>\$ 544,245</u>	<u>\$ 1,151,335</u>	<u>\$ 522,003</u>	<u>\$ 887,091</u>	<u>\$ 157,791</u>	<u>\$ 703,930</u>	<u>\$ 126,628</u>

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

	Textbook Rental	Self - Insurance	Levy Excess	Educational License Plates	Safe Haven Grant FY 2010-11	Early Intervention Grant	Professional Development Writing Program	Patriots Remembered	Character Counts
Cash and investments - beginning	\$ 753,910	\$ 1,695,623	\$ 59	\$ 2,573	\$ -	\$ 43,407	\$ (494)	\$ 400	\$ 425
Receipts:									
Local sources	309,217	6,423,153	37,058	-	-	-	-	-	-
Intermediate sources	-	-	-	450	-	-	-	-	-
State sources	-	-	-	-	20,659	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	326	-	-	-	-	494	-	-
Total receipts	309,217	6,423,479	37,058	450	20,659	-	494	-	-
Disbursements:									
Current:									
Instruction	-	13,200	-	-	-	-	-	-	-
Support services	266,163	-	-	2,375	35,480	11,521	-	310	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	7,408,979	-	-	-	-	-	-	-
Total disbursements	266,163	7,422,179	-	2,375	35,480	11,521	-	310	-
Excess (deficiency) of receipts over disbursements	43,054	(998,700)	37,058	(1,925)	(14,821)	(11,521)	494	(310)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	29,822	-	-	-	14,821	-	-	-	-
Transfers out	(15,306)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	14,516	-	-	-	14,821	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57,570	(998,700)	37,058	(1,925)	-	(11,521)	494	(310)	-
Cash and investments - ending	\$ 811,480	\$ 696,923	\$ 37,117	\$ 648	\$ -	\$ 31,886	\$ -	\$ 90	\$ 425

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

	Video Self-Modeling Autism	Preschool Instruction Support	Child Development Preschool	Elementary Donation	Charity Gaming	Alternative Placement Donation	Employee Flu Vaccine	Graphic Arts Donation	Criminal Background Checks
Cash and investments - beginning	\$ 2,900	\$ 1,618	\$ 1,181	\$ 3,980	\$ -	\$ 150	\$ 3,000	\$ -	\$ 158
Receipts:									
Local sources	-	4,605	2,250	47,094	1,066	-	710	230	3,388
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	4,605	2,250	47,094	1,066	-	710	230	3,388
Disbursements:									
Current:									
Instruction	-	4,057	-	9,152	-	-	-	-	2,493
Support services	-	-	-	10,975	-	-	2,387	-	-
Noninstructional services	-	-	-	-	1,066	-	-	-	-
Facilities acquisition and construction	-	-	-	14,728	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,057	-	34,855	1,066	-	2,387	-	2,493
Excess (deficiency) of receipts over disbursements	-	548	2,250	12,239	-	-	(1,677)	230	895
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	-	548	2,250	12,239	-	-	(1,677)	230	895
Cash and investments - ending	\$ 2,900	\$ 2,166	\$ 3,431	\$ 16,219	\$ -	\$ 150	\$ 1,323	\$ 230	\$ 1,053

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

	Alternative School Donation	Indiana China Initiative	Gifted and Talented FY 2009-10	Gifted and Talented FY 2010-11	VIE Greenhouse	Animal Husbandry	Vocational Industrial Education	Vocational Home Economics	Adult and Continuing Education
Cash and investments - beginning	\$ 100	\$ -	\$ 894	\$ -	\$ 875	\$ 8	\$ 751	\$ 2,034	\$ 2,379
Receipts:									
Local sources	50	32,029	-	-	1,828	-	9,258	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	40,320	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	50	32,029	-	40,320	1,828	-	9,258	-	-
Disbursements:									
Current:									
Instruction	100	31,308	894	35,558	2,267	-	9,238	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	100	31,308	894	35,558	2,267	-	9,238	-	-
Excess (deficiency) of receipts over disbursements	(50)	721	(894)	4,762	(439)	-	20	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	718	-	-	458	-	-
Transfers out	-	-	-	(718)	-	-	(229)	(229)	-
Total other financing sources (uses)	-	-	-	-	-	-	229	(229)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50)	721	(894)	4,762	(439)	-	249	(229)	-
Cash and investments - ending	\$ 50	\$ 721	\$ -	\$ 4,762	\$ 436	\$ 8	\$ 1,000	\$ 1,805	\$ 2,379

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

	Drug Free Communities	ECA Coca-Cola	Administrative Office Concessions	Non-English Speaking FY 2010-11	School Technology	Miscellaneous Programs	Title I FY 2007-08
Cash and investments - beginning	\$ 250	\$ 4,574	\$ 31	\$ -	\$ 52,693	\$ 29	\$ -
Receipts:							
Local sources	-	7,798	431	-	36,667	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	12,824	29,243	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,215
Total receipts	-	7,798	431	12,824	65,910	-	1,215
Disbursements:							
Current:							
Instruction	-	-	-	12,824	-	-	-
Support services	-	-	808	-	62,890	-	-
Noninstructional services	-	1,763	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	1,763	808	12,824	62,890	-	-
Excess (deficiency) of receipts over disbursements	-	6,035	(377)	-	3,020	-	1,215
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	400	-	-	-	-
Transfers out	(250)	(400)	-	-	-	-	(1,215)
Total other financing sources (uses)	(250)	(400)	400	-	-	-	(1,215)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(250)	5,635	23	-	3,020	-	-
Cash and investments - ending	\$ -	\$ 10,209	\$ 54	\$ -	\$ 55,713	\$ 29	\$ -

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

	Title I FY 2009-10	Title I FY 2010-11	P.L. 105-17 FY 2008-09	P.L. 105-17 FY 2009-10	P.L. 105-17 FY 2010-11	Preschool Handicapped FY 2009-10	Preschool Handicapped FY 2010-11
Cash and investments - beginning	\$ 234,070	\$ -	\$ -	\$ 82,719	\$ -	\$ (3,751)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	39,987	592,659	-	-	731,989	-	57,337
Temporary loans	-	-	-	-	-	-	-
Other	-	-	56	-	-	3,751	-
Total receipts	39,987	592,659	56	-	731,989	3,751	57,337
Disbursements:							
Current:							
Instruction	136,138	705,509	-	78,965	686,492	-	57,721
Support services	8,890	19,241	-	3,754	45,097	-	-
Noninstructional services	2,531	1,953	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	147,559	726,703	-	82,719	731,589	-	57,721
Excess (deficiency) of receipts over disbursements	(107,572)	(134,044)	56	(82,719)	400	3,751	(384)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	134,044	-	-	-	-	384
Transfers out	(126,498)	-	(56)	-	-	-	-
Total other financing sources (uses)	(126,498)	134,044	(56)	-	-	-	384
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(234,070)	-	-	(82,719)	400	3,751	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -

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

	Adult Basic Education FY 2009-10	Adult Basic Education FY 2010-11	Title IV, Part A FY 2009-10	PLTW Engineering FY 2009-10	PLTW Biomedical FY 2009-10	PLTW Biomedical FY 2010-11	PLTW Engineering FY 2010-11
Cash and investments - beginning	\$ 9,587	\$ -	\$ 6,515	\$ (15,000)	\$ (20,000)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	12,834	-	15,000	20,000	4,820	5,741
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	12,834	-	15,000	20,000	4,820	5,741
Disbursements:							
Current:							
Instruction	8,410	10,831	243	-	-	4,903	7,038
Support services	1,177	13,422	2,319	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	9,587	24,253	2,562	-	-	4,903	7,038
Excess (deficiency) of receipts over disbursements	(9,587)	(11,419)	(2,562)	15,000	20,000	(83)	(1,297)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	11,419	-	-	-	83	1,297
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	11,419	-	-	-	83	1,297
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,587)	-	(2,562)	15,000	20,000	-	-
Cash and investments - ending	\$ -	\$ -	\$ 3,953	\$ -	\$ -	\$ -	\$ -

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

	Area 18 Leadership Academy	CTE First Robotics Grant	Area 18 Vocational FY 2010-11	Reading is Fundamental	Title II, Part A FY 2009-10	Title II, Part A FY 2010-11	Title III FY 2010-11
Cash and investments - beginning	\$ 100	\$ (8,480)	\$ -	\$ 715	\$ 114,937	\$ -	\$ -
Receipts:							
Local sources	-	-	-	3,425	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	6,000	82,151	-	-	48,115	14,140
Temporary loans	-	-	-	-	-	-	-
Other	-	2,480	-	-	-	-	-
Total receipts	-	8,480	82,151	3,425	-	48,115	14,140
Disbursements:							
Current:							
Instruction	-	-	82,178	-	109,170	48,081	14,140
Support services	-	-	-	3,054	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	82,178	3,054	109,170	48,081	14,140
Excess (deficiency) of receipts over disbursements	-	8,480	(27)	371	(109,170)	34	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	2,755	-	-	-	-
Transfers out	-	-	-	-	(5,767)	-	-
Total other financing sources (uses)	-	-	2,755	-	(5,767)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,480	2,728	371	(114,937)	34	-
Cash and investments - ending	\$ 100	\$ -	\$ 2,728	\$ 1,086	\$ -	\$ 34	\$ -

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

	ARRA - Title I	ARRA - Special Education	ARRA - Special Education Preschool	Education Jobs	Prepaid Food	Payroll	Totals
Cash and investments - beginning	\$ 53,476	\$ 45,991	\$ (3,212)	\$ -	\$ 26,167	\$ 89,719	\$ 12,037,973
Receipts:							
Local sources	-	-	-	-	-	-	17,735,675
Intermediate sources	-	-	-	-	-	-	1,363
State sources	-	-	-	-	-	-	23,704,697
Federal sources	43,458	176,224	6,581	355,000	-	-	3,197,566
Temporary loans	-	-	-	-	-	-	900,000
Other	-	-	-	-	424,649	7,340,316	7,806,904
Total receipts	<u>43,458</u>	<u>176,224</u>	<u>6,581</u>	<u>355,000</u>	<u>424,649</u>	<u>7,340,316</u>	<u>53,346,205</u>
Disbursements:							
Current:							
Instruction	19,743	210,735	3,369	355,245	-	-	20,137,427
Support services	1,637	17,061	-	-	-	-	12,124,343
Noninstructional services	966	-	-	-	-	-	2,100,466
Facilities acquisition and construction	-	-	-	-	-	-	1,517,266
Debt services	-	-	-	-	-	-	5,459,033
Nonprogrammed charges	-	-	-	-	434,229	7,231,191	15,074,399
Total disbursements	<u>22,346</u>	<u>227,796</u>	<u>3,369</u>	<u>355,245</u>	<u>434,229</u>	<u>7,231,191</u>	<u>56,412,934</u>
Excess (deficiency) of receipts over disbursements	<u>21,112</u>	<u>(51,572)</u>	<u>3,212</u>	<u>(245)</u>	<u>(9,580)</u>	<u>109,125</u>	<u>(3,066,729)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	20,665
Transfers in	17,000	22,581	-	245	-	-	815,285
Transfers out	<u>(17,000)</u>	<u>(17,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(815,285)</u>
Total other financing sources (uses)	<u>-</u>	<u>5,581</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>-</u>	<u>20,665</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>21,112</u>	<u>(45,991)</u>	<u>3,212</u>	<u>-</u>	<u>(9,580)</u>	<u>109,125</u>	<u>(3,046,064)</u>
Cash and investments - ending	<u>\$ 74,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,587</u>	<u>\$ 198,844</u>	<u>\$ 8,991,909</u>

JAY SCHOOL CORPORATION
 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	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,060,127	\$ 1,857,232	\$ 544,245	\$ 1,151,335	\$ 522,003	\$ 887,091	\$ 157,791	\$ 703,930	\$ 126,628	\$ 811,480
Receipts:										
Local sources	328,773	3,766,887	971,934	2,830,189	2,163,570	20,598	-	3,627	622,176	139,453
Intermediate sources	913	-	-	-	-	-	-	-	-	-
State sources	24,033,507	-	-	-	-	-	-	-	15,911	134,926
Federal sources	21,598	-	-	-	-	-	-	-	1,058,754	-
Temporary loans	-	-	-	900,000	-	-	-	-	-	-
Other	-	-	-	13,650	1,138	25,413	-	-	10,266	-
Total receipts	24,384,791	3,766,887	971,934	3,743,839	2,164,708	46,011	-	3,627	1,707,107	274,379
Disbursements:										
Current:										
Instruction	16,319,195	-	-	-	-	-	-	209,820	-	-
Support services	7,538,522	-	-	1,921,913	2,276,311	136,879	149,895	-	-	456,464
Noninstructional services	441,218	-	-	-	-	-	-	-	1,688,100	-
Facilities acquisition and construction	-	-	-	974,244	31,045	-	-	-	-	-
Debt services	17,425	3,524,917	981,473	900,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,316,360	3,524,917	981,473	3,796,157	2,307,356	136,879	149,895	209,820	1,688,100	456,464
Excess (deficiency) of receipts over disbursements	68,431	241,970	(9,539)	(52,318)	(142,648)	(90,868)	(149,895)	(206,193)	19,007	(182,085)
Other financing sources (uses):										
Sale of capital assets	29,271	-	-	-	-	-	-	-	-	-
Transfers in	346,661	-	-	37,117	-	-	25,000	371,193	-	40,290
Transfers out	(281,447)	(65,290)	-	-	-	-	-	(371,193)	-	-
Total other financing sources (uses)	94,485	(65,290)	-	37,117	-	-	25,000	-	-	40,290
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	162,916	176,680	(9,539)	(15,201)	(142,648)	(90,868)	(124,895)	(206,193)	19,007	(141,795)
Cash and investments - ending	\$ 1,223,043	\$ 2,033,912	\$ 534,706	\$ 1,136,134	\$ 379,355	\$ 796,223	\$ 32,896	\$ 497,737	\$ 145,635	\$ 669,685

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

	Self - Insurance	Levy Excess	Educational License Plates	Safe Haven Grant FY 2010-11	Early Intervention Grant	Early Literacy Intervention	Early Intervention FY 2011-12	Patriots Remembered	Character Counts	Video Self-Modeling Autism
Cash and investments - beginning	\$ 696,923	\$ 37,117	\$ 648	\$ -	\$ 31,886	\$ -	\$ -	\$ 90	\$ 425	\$ 2,900
Receipts:										
Local sources	6,047,133	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	413	-	-	-	-	-	-	-
State sources	-	-	-	15,276	-	35,989	102,214	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	6,047,133	-	413	15,276	-	35,989	102,214	-	-	-
Disbursements:										
Current:										
Instruction	13,400	-	672	-	-	-	-	-	-	2,495
Support services	-	-	-	492	19,837	35,989	98,588	-	425	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	5,524,521	-	-	-	-	-	-	-	-	-
Total disbursements	5,537,921	-	672	492	19,837	35,989	98,588	-	425	2,495
Excess (deficiency) of receipts over disbursements	509,212	-	(259)	14,784	(19,837)	-	3,626	-	(425)	(2,495)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	9	-	-	-
Transfers out	-	(37,117)	-	(14,784)	-	-	-	-	-	-
Total other financing sources (uses)	-	(37,117)	-	(14,784)	-	-	9	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	509,212	(37,117)	(259)	-	(19,837)	-	3,635	-	(425)	(2,495)
Cash and investments - ending	\$ 1,206,135	\$ -	\$ 389	\$ -	\$ 12,049	\$ -	\$ 3,635	\$ 90	\$ -	\$ 405

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

	Preschool Instruction Support	Child Development Preschool	Elementary Donation	Charity Gaming	Alternative Placement Donation	Employee Flu Vaccine	Graphic Arts Donation	Criminal Background Checks	Alternative School Donation	Indiana China Initiative
Cash and investments - beginning	\$ 2,166	\$ 3,431	\$ 16,219	\$ -	\$ 150	\$ 1,323	\$ 230	\$ 1,053	\$ 50	\$ 721
Receipts:										
Local sources	4,760	2,710	72,782	983	445	2,250	-	3,599	-	54,906
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	4,760	2,710	72,782	983	445	2,250	-	3,599	-	54,906
Disbursements:										
Current:										
Instruction	3,691	731	69,030	-	595	-	-	3,943	50	54,956
Support services	-	-	8,584	-	-	1,775	-	-	-	-
Noninstructional services	-	-	-	983	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	230	-	-	-
Total disbursements	3,691	731	77,614	983	595	1,775	230	3,943	50	54,956
Excess (deficiency) of receipts over disbursements	1,069	1,979	(4,832)	-	(150)	475	(230)	(344)	(50)	(50)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(5,000)	-	-	(1,018)	-	-	-	-
Total other financing sources (uses)	-	-	(5,000)	-	-	(1,018)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,069	1,979	(9,832)	-	(150)	(543)	(230)	(344)	(50)	(50)
Cash and investments - ending	\$ 3,235	\$ 5,410	\$ 6,387	\$ -	\$ -	\$ 780	\$ -	\$ 709	\$ -	\$ 671

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

	Taiwan 2012	Gifted and Talented FY 2010-11	Gifted and Talented FY 2011-12	VIE Greenhouse	Animal Husbandry	Vocational Industrial Education	Vocational Home Economics	Adult and Continuing Education	ECA Coca-Cola	Administrative Office Concessions
Cash and investments - beginning	\$ -	\$ 4,762	\$ -	\$ 436	\$ 8	\$ 1,000	\$ 1,805	\$ 2,379	\$ 10,209	\$ 54
Receipts:										
Local sources	85	-	-	1,394	-	8,251	303	24,000	7,683	502
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	39,170	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	85	-	39,170	1,394	-	8,251	303	24,000	7,683	502
Disbursements:										
Current:										
Instruction	85	3,682	30,643	597	-	9,019	874	5,805	-	-
Support services	-	1,080	3,656	-	-	-	-	-	-	432
Noninstructional services	-	-	-	-	-	-	-	-	15,097	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	85	4,762	34,299	597	-	9,019	874	5,805	15,097	432
Excess (deficiency) of receipts over disbursements	-	(4,762)	4,871	797	-	(768)	(571)	18,195	(7,414)	70
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	10,604	-	-	-	-	-	-	-
Transfers out	-	-	(10,604)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,762)	4,871	797	-	(768)	(571)	18,195	(7,414)	70
Cash and investments - ending	\$ -	\$ -	\$ 4,871	\$ 1,233	\$ 8	\$ 232	\$ 1,234	\$ 20,574	\$ 2,795	\$ 124

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

	Non-English Speaking FY 2011-12	School Technology	Miscellaneous Programs	Title I FY 2010-11	Title I FY 2011-12	P.L. 105-17 FY 2010-11	P.L. 105-17 FY 2011-12	Preschool Handicapped FY 2010-11	Preschool Handicapped FY 2011-12	Adult Basic Education FY 2010-11
Cash and investments - beginning	\$ -	\$ 55,713	\$ 29	\$ -	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	55,147	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	10,040	3,082	-	-	-	-	-	-	-	-
Federal sources	-	-	-	436,106	764,531	131,021	707,078	-	44,563	27,914
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	384	-	-
Total receipts	10,040	58,229	-	436,106	764,531	131,021	707,078	384	44,563	27,914
Disbursements:										
Current:										
Instruction	10,040	-	-	394,098	737,059	127,064	549,131	-	42,753	15,942
Support services	-	97,571	-	23,361	29,279	4,357	157,763	-	-	553
Noninstructional services	-	-	-	4,911	4,592	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,040	97,571	-	422,370	770,930	131,421	706,894	-	42,753	16,495
Excess (deficiency) of receipts over disbursements	-	(39,342)	-	13,736	(6,399)	(400)	184	384	1,810	11,419
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	35,531	-	9,634	-	-	-
Transfers out	-	-	-	(13,736)	(29,132)	-	(9,634)	(384)	-	(11,419)
Total other financing sources (uses)	-	-	-	(13,736)	6,399	-	-	(384)	-	(11,419)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(39,342)	-	-	-	(400)	184	-	1,810	-
Cash and investments - ending	\$ -	\$ 16,371	\$ 29	\$ -	\$ -	\$ -	\$ 184	\$ -	\$ 1,810	\$ -

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

	Adult Basic Education FY 2011-12	Title IV, Part A FY 2009-10	PLTW Biomedical FY 2010-11	PLTW Engineering FY 2010-11	PLTW Engineering FY 2011-12	Area 18 Leadership Academy	Area 18 Vocational FY 2010-11	Area 18 Vocational FY 2011-12	Reading is Fundamental	Title II, Part A FY 2010-11
Cash and investments - beginning	\$ -	\$ 3,953	\$ -	\$ -	\$ -	\$ 100	\$ 2,728	\$ -	\$ 1,086	\$ 34
Receipts:										
Local sources	-	-	-	-	-	-	-	-	4,124	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	24,953	-	10,180	9,260	117,780	-	-	67,007	-	149,525
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	24,953	-	10,180	9,260	117,780	-	-	67,007	4,124	149,525
Disbursements:										
Current:										
Instruction	27,256	454	1,250	-	103,769	-	-	67,007	-	157,017
Support services	3,346	3,499	-	-	-	-	-	-	3,689	447
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	30,602	3,953	1,250	-	103,769	-	-	67,007	3,689	157,464
Excess (deficiency) of receipts over disbursements	(5,649)	(3,953)	8,930	9,260	14,011	-	-	-	435	(7,939)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	8,917	-	-	-	-	-	-	-	591	7,905
Transfers out	(3,268)	-	(8,930)	(9,260)	(14,011)	-	(2,728)	-	(591)	-
Total other financing sources (uses)	5,649	-	(8,930)	(9,260)	(14,011)	-	(2,728)	-	-	7,905
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,953)	-	-	-	-	(2,728)	-	435	(34)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ 1,521	\$ -

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

	Title II, Part A FY 2011-12	Rural Schools and Low Income Program	ARRA - Title I	ARRA - Special Education	ARRA - Special Education Preschool	Education Jobs	Prepaid Food	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 74,588	\$ -	\$ -	\$ -	\$ 16,587	\$ 198,844	\$ 8,991,909
Receipts:									
Local sources	-	-	-	-	-	-	-	-	17,138,264
Intermediate sources	-	-	-	-	-	-	-	-	1,326
State sources	-	-	-	-	-	-	-	-	24,390,115
Federal sources	95,726	61,218	-	106,388	3,886	400,474	-	-	4,237,962
Temporary loans	-	-	-	-	-	-	-	-	900,000
Other	-	-	-	-	-	-	550,884	6,893,676	7,495,411
Total receipts	95,726	61,218	-	106,388	3,886	400,474	550,884	6,893,676	54,163,078
Disbursements:									
Current:									
Instruction	93,726	-	37,445	84,497	3,886	401,949	-	-	19,583,626
Support services	2,000	61,218	26,569	16,310	-	-	-	-	13,080,804
Noninstructional services	-	-	10,774	-	-	-	-	-	2,165,675
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,005,289
Debt services	-	-	-	-	-	-	-	-	5,423,815
Nonprogrammed charges	-	-	-	-	-	-	555,376	7,011,149	13,091,276
Total disbursements	95,726	61,218	74,788	100,807	3,886	401,949	555,376	7,011,149	54,350,485
Excess (deficiency) of receipts over disbursements	-	-	(74,788)	5,581	-	(1,475)	(4,492)	(117,473)	(187,407)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	29,271
Transfers in	26,765	25,199	200	-	-	1,475	-	-	947,091
Transfers out	(26,765)	(25,199)	-	(5,581)	-	-	-	-	(947,091)
Total other financing sources (uses)	-	-	200	(5,581)	-	1,475	-	-	29,271
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(74,588)	-	-	-	(4,492)	(117,473)	(158,136)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,095	\$ 81,371	\$ 8,833,773

JAY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
JUNE 30, 2012

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,117,290</u>	<u>\$ 520,226</u>

JAY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
JUNE 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Main Source Wealth Management	2001 & 2002 School Building Project	\$ 1,424,000	01-15-07	01-15-27
Main Source Wealth Management	2006 School Building Project	<u>1,406,000</u>	07-15-06	01-15-28
Total of annual lease payments		<u>\$ 2,830,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Building renovations and technology	\$ 2,710,503	\$ 463,227
General obligation bonds	Retirement buyout and district wide renovations	10,075,000	1,393,263
Tax anticipation warrants	Cash flow loan	<u>900,000</u>	<u>908,543</u>
Totals		<u>\$ 13,685,503</u>	<u>\$ 2,765,033</u>

JAY SCHOOL CORPORATION
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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 712,287
Buildings	59,836,339
Improvements other than buildings	3,454,404
Machinery, equipment and vehicles	<u>8,395,069</u>
Total capital assets	<u>\$ 72,398,099</u>

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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 JAY SCHOOL CORPORATION, JAY COUNTY, INDIANA

Compliance

We have audited the Jay School Corporation's (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

February 7, 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.

JAY SCHOOL CORPORATION
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				
School Breakfast Program	10.553			
		FY10-11	\$ 178,547	\$ -
		FY11-12	-	191,270
Total for program			<u>178,547</u>	<u>191,270</u>
National School Lunch Program	10.555			
		FY10-11	907,640	-
		FY11-12	-	965,684
Total for program			<u>907,640</u>	<u>965,684</u>
Summer Food Service Program for Children	10.559			
		FY10-11	17,127	-
		FY11-12	-	23,913
Total for program			<u>17,127</u>	<u>23,913</u>
Total for cluster			<u>1,103,314</u>	<u>1,180,867</u>
Total for federal grantor agency			<u>1,103,314</u>	<u>1,180,867</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		10-3945	147,558	-
		11-3945	726,703	436,106
		12-3945	-	764,531
Total for program			<u>874,261</u>	<u>1,200,637</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-3945	<u>22,348</u>	<u>74,586</u>
Total for cluster			<u>896,609</u>	<u>1,275,223</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
		14210-031-PN01	82,721	-
		14211-031-PN01	731,590	131,420
		14212-031-PN01	-	707,078
Total for program			<u>814,311</u>	<u>838,498</u>
Special Education - Preschool Grants	84.173			
		45711-031-PN01	57,337	-
		45712-031-PN01	-	44,563
Total for program			<u>57,337</u>	<u>44,563</u>

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

JAY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012
(Continued)

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 EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster (IDEA) (continued)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-031-SN01	<u>222,214</u>	<u>106,389</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-031-SN01	<u>3,369</u>	<u>3,886</u>
Total for cluster			<u>1,097,231</u>	<u>993,336</u>
Pass-Through New Castle Community School Corporation				
Adult Education - Basic Grants to States	84.002			
		2010-8024P	9,586	-
		FY10-11	24,254	16,495
		FY11-12	<u>-</u>	<u>24,953</u>
Total for program			<u>33,840</u>	<u>41,448</u>
Pass-Through Bluffton-Harrison Metropolitan School District				
Career and Technical Education - Basic Grants to States	84.048			
		FY10-11	82,178	-
		FY11-12	<u>-</u>	<u>67,007</u>
Total for program			<u>82,178</u>	<u>67,007</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186	09-3945	<u>2,562</u>	<u>3,953</u>
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education	84.243			
		SPL BIO 9-666	4,903	10,180
		PLTW 9-666	7,038	9,260
		11-6200-8445	<u>-</u>	<u>117,780</u>
Total for program			<u>11,941</u>	<u>137,220</u>
Pass-Through Indiana Department of Education				
Rural Education	84.358	FY11-12	<u>-</u>	<u>61,218</u>
English Language Acquisition State Grants	84.365	01111-032-PN01	<u>14,139</u>	<u>1</u>
Improving Teacher Quality State Grants	84.367			
		09-3945	114,937	-
		10-3945	48,080	149,560
		11-3945	<u>-</u>	<u>95,726</u>
Total for program			<u>163,017</u>	<u>245,286</u>
Education Jobs Fund	84.410	11-3945	<u>355,000</u>	<u>400,474</u>
Total for federal grantor agency			<u>2,656,517</u>	<u>3,225,166</u>
Total federal awards expended			<u>\$ 3,759,831</u>	<u>\$ 4,406,033</u>

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

JAY SCHOOL CORPORATION
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 Jay School Corporation (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	Year Ended June 30, 2011	Year Ended June 30, 2012
Child Nutrition Cluster: Food Commodities: National School Lunch Program	10.555	\$ 100,658	\$ 122,113

JAY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; 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:

CFDA Number	Name of Federal Program or Cluster
	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.

JAY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2013, with Bradley T. DeRome, Treasurer; Timothy D. Long, Superintendent of Schools; Gregory E. Wellman, President of the School Board; Larry J. Paxson, Board member; and Michael A. Masters, Board member. Our audit disclosed no material items that warrant comment at this time.