

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
RIPLEY COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/27/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
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	5-6
Financial Statement:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	9
Notes to Financial Statement.....	10-14
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	16-23
Audit Results and Comments:	
Rainy Day Fund Expenditures Without Appropriation.....	24
Academic Honors Diplomas - Incorrect Reporting to the State.....	24
Supplemental Audit of Federal Awards:	
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	26-27
Schedule of Expenditures of Federal Awards	30
Note to Schedule of Expenditures of Federal Awards.....	31
Schedule of Findings and Questioned Costs	32
Exit Conference.....	33

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lynaya Hess	07-01-10 to 06-30-13
Superintendent of Schools	William H. Narwold Dr. Leanna Phillippe	07-01-10 to 06-30-12 07-01-12 to 06-30-13
President of the School Board	Kathleen Dickman Deanna Young Kathleen Dickman	07-01-10 to 06-30-11 07-01-11 to 12-31-12 01-01-13 to 12-31-13



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

TO: THE OFFICIALS OF THE JAC-CEN-DEL COMMUNITY
SCHOOL CORPORATION, RIPLEY COUNTY, INDIANA

We have audited the accompanying financial statement of the Jac-Cen-Del Community 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 5, 2013



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

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 JAC-CEN-DEL COMMUNITY
SCHOOL CORPORATION, RIPLEY COUNTY, INDIANA

We have audited the financial statement of the Jac-Cen-Del Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 5, 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 5, 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.

(This page intentionally left blank.)

JAC-CEN-DEL COMMUNITY 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	\$ 989,786	\$ 6,330,264	\$ 5,988,560	\$ (269,020)	\$ 1,062,470	\$ 6,232,628	\$ 5,808,013	\$ (297)	\$ 1,486,788
Debt Service	359,918	587,989	540,500	(1,207)	406,200	497,010	638,869	(6,355)	257,986
Capital Projects	135,590	727,346	765,653	43,080	140,363	735,614	742,310	-	133,667
School Transportation	33,036	427,070	451,812	44,411	52,705	483,536	451,188	-	85,053
School Bus Replacement	89,461	146,040	92,889	(27,096)	115,516	159,122	166,413	(13,400)	94,825
Rainy Day	535,720	13,417	79,768	215,000	684,369	10,366	45,140	13,400	662,995
School Lunch	288,563	421,078	405,042	-	304,599	450,052	449,538	-	305,113
Textbook Rental	72,936	100,393	81,033	991	93,287	88,073	101,319	6,354	86,395
Levy Excess	-	9,897	-	-	9,897	-	-	-	9,897
Rising Sun Grants	357	-	357	-	-	-	-	-	-
East Indiana AHES Grant J Budd	-	-	-	-	-	2,000	2,000	-	-
Ripley County Comm Foundation	-	-	-	-	-	2,500	2,169	-	331
Reynolds Grants	447	-	447	-	-	24,397	18,227	-	6,170
Reynolds Teacher Grants 09-10	161	-	161	-	-	-	-	-	-
A Hughes Reynolds - Smart Dig	2,448	-	2,448	-	-	-	-	-	-
Educational License Plates	2,543	113	588	-	2,068	93	2,126	-	35
Project Lead The Way, Rip. Co	28,543	2,162	23,701	-	7,004	-	5,702	-	1,302
Reynolds Fall/10 Teachers Grant	-	7,064	6,084	59	1,039	-	1,039	-	-
Recreational Activities	18,882	17,636	13,305	-	23,213	17,000	22,252	-	17,961
Step Ahead	5,580	25,524	17,985	-	13,119	21,380	17,878	-	16,621
Non-English Speaking Programs P.L. 273-1999	450	-	-	-	450	-	450	-	-
School Technology	-	3,780	-	-	3,780	-	-	-	3,780
Title 1 FY 2009-2010	20,292	8,000	-	(28,292)	-	-	-	-	-
Title 1 FY 2011-2012	-	-	-	-	-	129,355	152,831	(180)	(23,656)
Title 1 FY 2010-2011	-	130,565	181,874	28,292	(23,017)	23,017	180	180	-
Drug Free Schools	-	-	-	-	-	593	593	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	14,849	-	14,849	-	-	-	-	-	-
Title II, Part A FY 09-10	59,124	-	59,124	-	-	-	-	-	-
Title II, Part A 7/10-9/12	-	16,239	25,713	-	(9,474)	43,446	33,972	-	-
Title III, Language Instruction	-	-	-	-	-	245	245	-	-
Title I - Grants to LEAs	(2,687)	8,846	9,925	3,766	-	-	-	-	-
Special Education - Part B	(1,444)	17,921	12,974	(3,766)	(263)	2,645	2,382	-	-
Payroll	48,805	1,260,193	1,266,629	-	42,369	1,283,495	1,288,614	-	37,250
Education Jobs	-	-	-	-	-	182,319	182,424	105	-
Totals	\$ 2,703,360	\$ 10,261,537	\$ 10,041,421	\$ 6,218	\$ 2,929,694	\$ 10,388,886	\$ 10,135,874	\$ (193)	\$ 3,182,513

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

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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 may 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, 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, and revenue for or on behalf of the School Corporation.

JAC-CEN-DEL COMMUNITY 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, 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 may 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.

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 may 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.

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
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 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.

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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.

JAC-CEN-DEL COMMUNITY 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.

Note 7. Holding Corporation

The School Corporation has entered into a lease with the Jac-Cen-Del Community School Building Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the years ended June 30, 2011 and June 30, 2012, were \$540,000 and \$540,000, respectively.

Note 8. Cash Balance Deficits

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30 of the respective years included in the financial statement.

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.

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 989,786	\$ 359,918	\$ 135,590	\$ 33,036	\$ 89,461	\$ 535,720	\$ 288,563	\$ 72,936	\$ -
Receipts:									
Local sources	572,960	587,989	722,464	426,219	146,040	13,417	207,507	55,540	9,897
Intermediate sources	173	-	-	-	-	-	-	-	-
State sources	5,722,031	-	-	-	-	-	6,526	44,553	-
Federal sources	-	-	-	-	-	-	206,495	-	-
Other	35,100	-	4,882	851	-	-	550	300	-
Total receipts	<u>6,330,264</u>	<u>587,989</u>	<u>727,346</u>	<u>427,070</u>	<u>146,040</u>	<u>13,417</u>	<u>421,078</u>	<u>100,393</u>	<u>9,897</u>
Disbursements:									
Current:									
Instruction	4,286,268	-	-	-	-	79,768	-	-	-
Support services	1,488,493	-	357,276	451,250	92,889	-	6,466	81,033	-
Noninstructional services	79,612	-	-	-	-	-	376,081	-	-
Facilities acquisition and construction	134,187	-	408,377	562	-	-	22,495	-	-
Debt services	-	540,500	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,988,560</u>	<u>540,500</u>	<u>765,653</u>	<u>451,812</u>	<u>92,889</u>	<u>79,768</u>	<u>405,042</u>	<u>81,033</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>341,704</u>	<u>47,489</u>	<u>(38,307)</u>	<u>(24,742)</u>	<u>53,151</u>	<u>(66,351)</u>	<u>16,036</u>	<u>19,360</u>	<u>9,897</u>
Other financing sources (uses):									
Sale of capital assets	6,216	-	-	-	-	-	-	-	-
Transfers in	38,625	38,409	43,080	44,411	7,929	215,000	-	991	-
Transfers out	(313,861)	(39,616)	-	-	(35,025)	-	-	-	-
Total other financing sources (uses)	<u>(269,020)</u>	<u>(1,207)</u>	<u>43,080</u>	<u>44,411</u>	<u>(27,096)</u>	<u>215,000</u>	<u>-</u>	<u>991</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>72,684</u>	<u>46,282</u>	<u>4,773</u>	<u>19,669</u>	<u>26,055</u>	<u>148,649</u>	<u>16,036</u>	<u>20,351</u>	<u>9,897</u>
Cash and investments - ending	<u>\$ 1,062,470</u>	<u>\$ 406,200</u>	<u>\$ 140,363</u>	<u>\$ 52,705</u>	<u>\$ 115,516</u>	<u>\$ 684,369</u>	<u>\$ 304,599</u>	<u>\$ 93,287</u>	<u>\$ 9,897</u>

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

	Rising Sun Grants	East Indiana AHES Grant J Budd	Ripley Co. Comm Foundation	Reynolds Grants	Reynolds Teacher Grants 09-10	A Hughes Reynolds Smart Dig	Educational License Plates	Project Lead The Way Rip. Co	Reynolds Fall/10 Teachers Grant
Cash and investments - beginning	\$ 357	\$ -	\$ -	\$ 447	\$ 161	\$ 2,448	\$ 2,543	\$ 28,543	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	2,162	7,064
Intermediate sources	-	-	-	-	-	-	113	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	113	2,162	7,064
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	447	161	-	588	23,701	6,084
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	357	-	-	-	-	2,448	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	357	-	-	447	161	2,448	588	23,701	6,084
Excess (deficiency) of receipts over disbursements	(357)	-	-	(447)	(161)	(2,448)	(475)	(21,539)	980
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	59
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	59
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(357)	-	-	(447)	(161)	(2,448)	(475)	(21,539)	1,039
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,068	\$ 7,004	\$ 1,039

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

	Recreational Activities	Step Ahead	Non-English Speaking Programs P.L. 273-1999	School Technology	Title 1 FY 2009-2010	Title 1 FY 2011-2012	Title 1 FY 2010-2011	Drug Free Schools	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ 18,882	\$ 5,580	\$ 450	\$ -	\$ 20,292	\$ -	\$ -	\$ -	\$ 14,849
Receipts:									
Local sources	17,636	25,524	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	3,780	-	-	-	-	-
Federal sources	-	-	-	-	8,000	-	130,565	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	17,636	25,524	-	3,780	8,000	-	130,565	-	-
Disbursements:									
Current:									
Instruction	-	408	-	-	-	-	172,736	-	14,849
Support services	257	-	-	-	-	-	5,404	-	-
Noninstructional services	13,048	17,577	-	-	-	-	3,734	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	13,305	17,985	-	-	-	-	181,874	-	14,849
Excess (deficiency) of receipts over disbursements	4,331	7,539	-	3,780	8,000	-	(51,309)	-	(14,849)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	28,292	-	-
Transfers out	-	-	-	-	(28,292)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(28,292)	-	28,292	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,331	7,539	-	3,780	(20,292)	-	(23,017)	-	(14,849)
Cash and investments - ending	\$ 23,213	\$ 13,119	\$ 450	\$ 3,780	\$ -	\$ -	\$ (23,017)	\$ -	\$ -

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

	Title II Part A FY 09-10	Title II Part A 7/10-9/12	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Payroll	Education Jobs	Totals
Cash and investments - beginning	\$ 59,124	\$ -	\$ -	\$ (2,687)	\$ (1,444)	\$ 48,805	\$ -	\$ 2,703,360
Receipts:								
Local sources	-	-	-	-	-	-	-	2,794,419
Intermediate sources	-	-	-	-	-	-	-	286
State sources	-	-	-	-	-	-	-	5,776,890
Federal sources	-	16,239	-	8,846	17,921	-	-	388,066
Other	-	-	-	-	-	1,260,193	-	1,301,876
Total receipts	<u>-</u>	<u>16,239</u>	<u>-</u>	<u>8,846</u>	<u>17,921</u>	<u>1,260,193</u>	<u>-</u>	<u>10,261,537</u>
Disbursements:								
Current:								
Instruction	59,124	25,713	-	9,925	12,974	-	-	4,661,765
Support services	-	-	-	-	-	-	-	2,514,049
Noninstructional services	-	-	-	-	-	-	-	490,052
Facilities acquisition and construction	-	-	-	-	-	-	-	568,426
Debt services	-	-	-	-	-	-	-	540,500
Nonprogrammed charges	-	-	-	-	-	1,266,629	-	1,266,629
Total disbursements	<u>59,124</u>	<u>25,713</u>	<u>-</u>	<u>9,925</u>	<u>12,974</u>	<u>1,266,629</u>	<u>-</u>	<u>10,041,421</u>
Excess (deficiency) of receipts over disbursements	<u>(59,124)</u>	<u>(9,474)</u>	<u>-</u>	<u>(1,079)</u>	<u>4,947</u>	<u>(6,436)</u>	<u>-</u>	<u>220,116</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	6,216
Transfers in	-	-	-	3,766	-	-	-	420,562
Transfers out	-	-	-	-	(3,766)	-	-	(420,560)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,766</u>	<u>(3,766)</u>	<u>-</u>	<u>-</u>	<u>6,218</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(59,124)</u>	<u>(9,474)</u>	<u>-</u>	<u>2,687</u>	<u>1,181</u>	<u>(6,436)</u>	<u>-</u>	<u>226,334</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (9,474)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (263)</u>	<u>\$ 42,369</u>	<u>\$ -</u>	<u>\$ 2,929,694</u>

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,062,470	\$ 406,200	\$ 140,363	\$ 52,705	\$ 115,516	\$ 684,369	\$ 304,599	\$ 93,287	\$ 9,897
Receipts:									
Local sources	427,598	497,010	735,614	483,536	159,122	10,366	229,595	60,582	-
Intermediate sources	2,335	-	-	-	-	-	-	-	-
State sources	5,801,095	-	-	-	-	-	6,581	27,141	-
Federal sources	1,600	-	-	-	-	-	213,326	-	-
Other	-	-	-	-	-	-	550	350	-
Total receipts	<u>6,232,628</u>	<u>497,010</u>	<u>735,614</u>	<u>483,536</u>	<u>159,122</u>	<u>10,366</u>	<u>450,052</u>	<u>88,073</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	4,315,045	-	-	-	-	44,130	-	-	-
Support services	1,384,537	-	360,965	451,188	166,413	1,010	9,925	101,319	-
Noninstructional services	108,431	-	-	-	-	-	383,883	-	-
Facilities acquisition and construction	-	-	381,345	-	-	-	55,730	-	-
Debt services	-	638,869	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,808,013</u>	<u>638,869</u>	<u>742,310</u>	<u>451,188</u>	<u>166,413</u>	<u>45,140</u>	<u>449,538</u>	<u>101,319</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>424,615</u>	<u>(141,859)</u>	<u>(6,696)</u>	<u>32,348</u>	<u>(7,291)</u>	<u>(34,774)</u>	<u>514</u>	<u>(13,246)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	58	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	13,400	-	6,354	-
Transfers out	(355)	(6,355)	-	-	(13,400)	-	-	-	-
Total other financing sources (uses)	<u>(297)</u>	<u>(6,355)</u>	<u>-</u>	<u>-</u>	<u>(13,400)</u>	<u>13,400</u>	<u>-</u>	<u>6,354</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>424,318</u>	<u>(148,214)</u>	<u>(6,696)</u>	<u>32,348</u>	<u>(20,691)</u>	<u>(21,374)</u>	<u>514</u>	<u>(6,892)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,486,788</u>	<u>\$ 257,986</u>	<u>\$ 133,667</u>	<u>\$ 85,053</u>	<u>\$ 94,825</u>	<u>\$ 662,995</u>	<u>\$ 305,113</u>	<u>\$ 86,395</u>	<u>\$ 9,897</u>

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

	Rising Sun Grants	East Indiana AHES Grant J Budd	Ripley Co. Comm Foundation	Reynolds Grants	Reynolds Teacher Grants 09-10	A Hughes Reynolds Smart Dig	Educational License Plates	Project Lead The Way Rip. Co	Reynolds Fall/10 Teachers Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,068	\$ 7,004	\$ 1,039
Receipts:									
Local sources	-	2,000	2,500	24,397	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	93	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	2,000	2,500	24,397	-	-	93	-	-
Disbursements:									
Current:									
Instruction	-	-	2,169	10,607	-	-	-	-	-
Support services	-	2,000	-	-	-	-	2,126	5,702	1,039
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	7,620	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,000	2,169	18,227	-	-	2,126	5,702	1,039
Excess (deficiency) of receipts over disbursements	-	-	331	6,170	-	-	(2,033)	(5,702)	(1,039)
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	-	-	331	6,170	-	-	(2,033)	(5,702)	(1,039)
Cash and investments - ending	\$ -	\$ -	\$ 331	\$ 6,170	\$ -	\$ -	\$ 35	\$ 1,302	\$ -

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

	Recreational Activities	Step Ahead	Non-English Speaking Programs P.L. 273-1999	School Technology	Title 1 FY 2009-2010	Title 1 FY 2011-2012	Title 1 2010-2011	Drug Free Schools	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ 23,213	\$ 13,119	\$ 450	\$ 3,780	\$ -	\$ -	\$ (23,017)	\$ -	\$ -
Receipts:									
Local sources	16,950	21,380	-	-	-	398	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	128,957	23,017	593	-
Other	50	-	-	-	-	-	-	-	-
Total receipts	17,000	21,380	-	-	-	129,355	23,017	593	-
Disbursements:									
Current:									
Instruction	-	51	-	-	-	141,096	180	-	-
Support services	-	-	450	-	-	9,189	-	593	-
Noninstructional services	22,252	17,827	-	-	-	2,546	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	22,252	17,878	450	-	-	152,831	180	593	-
Excess (deficiency) of receipts over disbursements	(5,252)	3,502	(450)	-	-	(23,476)	22,837	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	180	-	-
Transfers out	-	-	-	-	-	(180)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(180)	180	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,252)	3,502	(450)	-	-	(23,656)	23,017	-	-
Cash and investments - ending	\$ 17,961	\$ 16,621	\$ -	\$ 3,780	\$ -	\$ (23,656)	\$ -	\$ -	\$ -

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

	Title II Part A Fy 09-10	Title II Part A 7/10-9/12	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Payroll	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ (9,474)	\$ -	\$ -	\$ (263)	\$ 42,369	\$ -	\$ 2,929,694
Receipts:								
Local sources	-	-	-	-	-	-	-	2,671,048
Intermediate sources	-	-	-	-	-	-	-	2,428
State sources	-	-	245	-	-	-	-	5,835,062
Federal sources	-	43,446	-	-	2,645	-	182,319	595,903
Other	-	-	-	-	-	1,283,495	-	1,284,445
Total receipts	-	43,446	245	-	2,645	1,283,495	182,319	10,388,886
Disbursements:								
Current:								
Instruction	-	33,972	245	-	2,382	-	182,424	4,732,301
Support services	-	-	-	-	-	-	-	2,496,456
Noninstructional services	-	-	-	-	-	-	-	534,939
Facilities acquisition and construction	-	-	-	-	-	-	-	444,695
Debt services	-	-	-	-	-	-	-	638,869
Nonprogrammed charges	-	-	-	-	-	1,288,614	-	1,288,614
Total disbursements	-	33,972	245	-	2,382	1,288,614	182,424	10,135,874
Excess (deficiency) of receipts over disbursements	-	9,474	-	-	263	(5,119)	(105)	253,012
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	58
Transfers in	-	-	-	-	-	-	105	20,039
Transfers out	-	-	-	-	-	-	-	(20,290)
Total other financing sources (uses)	-	-	-	-	-	-	105	(193)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,474	-	-	263	(5,119)	-	252,819
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,250	\$ -	\$ 3,182,513

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

RAINY DAY FUND EXPENDITURES WITHOUT APPROPRIATION

In calendar year 2010, the School Corporation expended \$59,475 from the Rainy Day Fund. There was no budgeted appropriation for the fund at the beginning of the year. The School Board passed additional appropriation resolutions to expend monies from the fund during the year but did not follow prescribed additional appropriation procedures. The additional appropriations were not advertised and approval was not received from the Department of Local Government Finance.

Indiana Code 36-1-8-5.1(c) states: "The rainy day fund is subject to the same appropriation process as other funds that receive tax money."

If the proper officers of any school corporation determine the need for expenditure of more money in the current year than was provided for in the approved annual budget, the following is required:

1. In all cases of additional appropriations the governing body must meet and determine that they desire to appropriate for the expenditure of more money than was appropriated in the annual budget. When this condition has been determined, notice must be given to taxpayers by publication and posting as required by Indiana Code 5-3-1-2(b). Said notice to taxpayers should be made as required by the Department of Local Government Finance.
2. The governing body determines whether to proceed with the proposal. An approval may not be in excess of the amount advertised, but can be less than requested. The governing body must adopt a resolution of additional appropriations.
3. If a school corporation proposes an additional appropriation from a fund that receives property tax levied under Indiana Code 6-1.1, the additional appropriation must be reported to and approved by the Department of Local Government Finance.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

ACADEMIC HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit showed the number of honors graduates reported to the State was overstated by 1 student for the school year ending June 30, 2011. Instead of the 21 students shown in the records, the School Corporation received awards for 22 students.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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 JAC-CEN-DEL COMMUNITY
SCHOOL CORPORATION, RIPLEY COUNTY, INDIANA

Compliance

We have audited the Jac-Cen-Del Community 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 5, 2013

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553			
		SY 10-11	\$ 51,860	\$ -
		SY 11-12	-	55,279
Total for program			<u>51,860</u>	<u>55,279</u>
National School Lunch Program	10.555			
		SY 10-11	186,237	-
		SY 11-12	-	197,774
Total for program			<u>186,237</u>	<u>197,774</u>
Total for cluster			<u>238,097</u>	<u>253,053</u>
Total for federal grantor agency			<u>238,097</u>	<u>253,053</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			
		10-6900	8,000	-
		11-6900	130,565	23,017
		12-6900	-	128,957
Total for program			<u>138,565</u>	<u>151,974</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		SY 09-10	8,846	-
Total for cluster			<u>147,411</u>	<u>151,974</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		09-6900	-	593
Pass-Through Wilson Education Center English Language Acquisition State Grants	84.365			
		SY 2008-09	-	245
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		08-6900	14,849	-
		09-6900	59,124	-
		10-6900	25,713	33,972
Total for program			<u>99,686</u>	<u>33,972</u>
Education Jobs Fund	84.410			
		12-6900	-	182,320
Total for federal grantor agency			<u>247,097</u>	<u>369,104</u>
Total federal awards expended			<u>\$ 485,194</u>	<u>\$ 622,157</u>

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

JAC-CEN-DEL COMMUNITY 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 Jac-Cen-Del Community 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	2010-11	2011-12
School Breakfast Program	10.553	\$ 6,883	\$ 8,679
National School Lunch Program	10.555	24,719	31,049

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I Part A Cluster

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

Auditee qualified as low-risk auditee?	no
--	----

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JAC-CEN-DEL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2013, with Kathleen Dickman, President of the School Board; Lynaya Hess, Treasurer; and Dr. Leanna Phillippe, Superintendent of Schools.