

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

GREATER JASPER CONSOLIDATED SCHOOLS  
DUBOIS COUNTY, INDIANA

July 1, 2011 to June 30, 2013



**FILED**  
02/18/2014



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards .....	6-7
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis .....	10-11
Notes to Financial Statement .....	12-17
Supplementary Information - Unaudited: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis .....	20-32
Schedule of Long-Term Debt .....	33
Schedule of Capital Assets .....	35
Audit Results and Comments: Fund Sources and Uses .....	36
Textbook Rental Fees .....	36
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance .....	38-39
Schedule of Expenditures of Federal Awards .....	43-45
Notes to Schedule of Expenditures of Federal Awards .....	46
Schedule of Findings and Questioned Costs .....	47
Exit Conference .....	48

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Monica Young	07-01-11 to 06-30-14
Superintendent of Schools	Dr. Jerrill Vandeventer Dr. Tracy Lorey	07-01-11 to 06-30-12 07-01-12 to 06-30-14
President of the School Board	Nancy L. Habig	07-01-11 to 06-30-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE GREATER JASPER CONSOLIDATED  
SCHOOLS, DUBOIS COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of the Greater Jasper Consolidated Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2014, 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* in considering the School Corporation's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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 Long-Term 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.

  
Paul D. Joyce, CPA  
State Examiner

January 16, 2014



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

TO: THE OFFICIALS OF THE GREATER JASPER CONSOLIDATED  
SCHOOLS, DUBOIS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Greater Jasper Consolidated Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated January 16, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

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

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

***Compliance and Other Matters***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

January 16, 2014

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## 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.

GREATER JASPER CONSOLIDATED SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 3,045,771	\$ 18,083,020	\$ 19,836,450	\$ 336,698	\$ 1,629,039	\$ 18,791,601	\$ 18,414,406	\$ (250,000)	\$ 1,756,234	
Debt Service	922,788	6,481,488	6,496,032	-	908,244	6,558,455	6,432,126	-	1,034,573	
Retirement/Severance Bond Debt Service	55,327	1,224,179	1,235,784	22,000	65,722	1,239,106	1,236,916	-	67,912	
Capital Projects	2,582,739	3,534,920	2,363,711	(1,500,000)	2,253,948	3,774,924	2,535,476	(1,500,000)	1,993,396	
School Transportation	895,470	1,573,688	1,374,705	(250,000)	844,453	1,681,227	1,415,411	(400,000)	710,269	
School Bus Replacement	95,018	110,193	100,000	-	105,211	91,223	-	-	196,434	
Rainy Day	3,076,076	36,971	505,565	(772,000)	1,835,482	37,505	837,533	1,900,000	2,935,454	
Retirement/Severance Bond	1,000,000	5,653	1,062,323	2,163,302	2,106,632	-	894,686	250,000	1,461,946	
Construction	39,205	9,266,334	1,872,851	-	7,432,688	2,102,206	10,890,913	-	(1,356,019)	
School Lunch	657,725	2,100,402	1,931,132	-	826,995	2,233,417	2,003,206	-	1,057,206	
Textbook Rental	307,701	620,544	745,866	-	182,379	581,825	340,506	-	423,698	
Self-Insurance	4,645,185	4,793,779	3,635,580	-	5,803,384	4,856,320	3,554,812	-	7,104,892	
Levy Excess	122,333	-	-	-	122,333	-	-	-	122,333	
Joint Services and Supply - Special Education Cooperative	709,081	516,081	414,318	-	810,844	438,837	354,836	-	894,845	
Joint Services and Supply - Transportation	407,516	429,240	449,625	-	387,131	563,485	490,902	-	459,714	
Joint Services and Supply - Area Vocational School	225,597	442,230	475,030	-	192,797	364,021	406,030	-	150,788	
Health Occupation 2012-2013	-	-	-	-	-	78,921	61,842	8,383	25,462	
Health Occupations 2010-2011	11,757	3,215	-	(14,972)	-	-	-	-	-	
Health Occupations 2011-2012	-	51,923	58,512	14,972	8,383	-	-	(8,383)	-	
Law Enforcement 2012-2013	-	-	-	-	-	28,950	39,686	3,899	(6,837)	
Law Enforcement 2011-2012	-	51,859	41,810	-	10,049	-	6,150	(3,899)	-	
Law Enforcement 2010-2011	(1,352)	9,155	7,803	-	-	-	-	-	-	
Educational License Plates	6,004	394	-	-	6,398	319	-	-	6,717	
Alternative Education	-	-	-	-	-	2,764	3,482	-	(718)	
SAFE School Haven	226	-	-	-	226	-	-	-	226	
Donations, Gifts and Trusts	987	200	358	-	829	-	-	-	829	
Recreational Activities	-	19,570	14,130	-	5,440	21,770	25,795	-	1,415	
High Ability 2012-2013	-	-	-	-	-	38,561	34,622	-	3,939	
High Ability 2010-2011	7,733	-	7,733	-	-	-	-	-	-	
High Ability 2011-2012	(6,539)	37,389	21,804	-	9,046	-	9,046	-	-	
Medicaid Reimbursement	71,248	21,562	-	-	92,810	20,704	-	-	113,514	
English Non-English 2011-2012	-	22,287	18,812	-	3,475	-	3,475	-	-	
English Non-English 2010-2011	4,588	-	4,588	-	-	20,416	17,396	-	3,020	
School Technology	11,482	6,740	16,408	-	1,814	7,275	7,422	-	1,667	
Math Grant	12,502	-	12,502	-	-	-	-	-	-	
Performance Based Awards	1,371	-	-	-	1,371	-	-	-	1,371	
Excess PTRC Distributions	62,519	-	-	-	62,519	-	-	-	62,519	
Title I 2010-2011	(28,704)	19,451	8,843	18,096	-	-	-	-	-	
Title I 2009	5,868	-	5,868	-	-	-	-	-	-	

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

GREATER JASPER CONSOLIDATED SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2012 and 2013  
(Continued)

	Cash and Investments			Other Financing	Cash and Investments			Other Financing	Cash and Investments
	07-01-11	Receipts	Disbursements	Sources (Uses)	06-30-12	Receipts	Disbursements	Sources (Uses)	06-30-13
Title I 2011-2012	-	161,252	165,592	(18,096)	(22,436)	53,033	30,597	-	-
Title I 2012-2013	-	-	-	-	-	144,673	195,060	-	(50,387)
IDEA	(20,296)	1,039,142	1,018,843	-	3	1,426,225	1,479,670	-	(53,442)
IDEA 2011-2012	-	1,495,899	1,665,671	-	(169,772)	1,329,386	1,159,621	-	(7)
Patins Assistive Technology	-	70,000	70,000	-	-	-	-	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	27,280	-	(27,280)	70,000	42,720	-	-
Special Education Improvement Grant 2013	-	-	-	-	-	185	1,916	-	(1,731)
Federal Assistance Educational Preschool Handicapped	(731)	29,612	28,881	-	-	55,671	57,632	-	(1,961)
Preschool 2011-2012	-	59,689	65,575	-	(5,886)	53,607	47,721	-	-
Adult Education and Family Literacy, Title II	(13,324)	32,857	19,533	-	-	-	-	-	-
Drug Free Schools Title IV	-	1,288	1,288	-	-	-	-	-	-
Vocational and Technical Board Grants	147	-	147	-	-	-	-	-	-
VOC Robotics	-	-	-	-	-	3,300	3,300	-	-
Perkins Jasper First Robotics	-	4,600	4,600	-	-	-	-	-	-
Perkins Pike First Robotics	-	4,600	4,600	-	-	-	-	-	-
Perkins Grant	(378)	1,734	1,356	-	-	-	-	-	-
VOC	5,218	-	5,218	-	-	-	-	-	-
VOC	(11,260)	27,769	16,509	-	-	-	-	-	-
VOC Biomed	-	-	-	-	-	3,279	3,279	-	-
Voc Ed Perkins 2011-2012	-	113,852	113,852	-	-	-	-	-	-
VOC Perkins	-	-	-	-	-	118,205	118,388	-	(183)
Title VII Bilingual (Includes Lau Program)	-	-	-	-	-	1,000	-	-	1,000
Medicaid Reimbursement - Federal	101,358	35,165	3,157	-	133,366	40,942	4,837	-	169,471
Emergency Response Grant	790	-	790	-	-	-	-	-	-
Community Transformation Grant	-	-	-	-	-	5,274	5,662	-	(388)
Improving Teaching Quality, No Child Left, Title II, Part A	-	43,300	48,674	-	(5,374)	20,509	15,135	-	-
Title II Part A 2010-2011	(3,715)	17,464	13,749	-	-	-	-	-	-
ITQ, Enhanced Education Through Technology, Title II, Part D	-	-	-	-	-	64,917	64,917	-	-
Title III, Language Instruction	(2,180)	9,834	7,654	-	-	-	-	-	-
Title III 2012-2013	-	-	-	-	-	24,160	26,091	-	(1,931)
Public Charter School ESEA Title X, Part C	-	22,389	24,511	-	(2,122)	9,052	6,379	-	551
Title I - Grants to LEAs	743	17,334	18,077	-	-	-	-	-	-
Special Education - Part B	(46,938)	295,353	248,415	-	-	-	-	-	-
Special Education - Part B - Preschool	1,030	7,820	8,850	-	-	-	-	-	-
Education Jobs	-	565,379	565,379	-	-	11,544	11,544	-	-
Payroll Withholdings	-	17,163,299	17,163,299	-	-	17,411,244	17,411,244	-	-
Totals	\$ 18,957,686	\$ 70,682,098	\$ 64,029,643	\$ -	\$ 25,610,141	\$ 64,380,038	\$ 70,702,388	\$ -	\$ 19,287,791

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

GREATER JASPER CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

Local sources 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.

GREATER JASPER CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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.

GREATER JASPER CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

GREATER JASPER CONSOLIDATED SCHOOLS  
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.

GREATER JASPER CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
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. Cash Balance Deficits**

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

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with the Greater Jasper Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal years 2011-2012 and 2012-2013 totaled \$3,902,980 and \$3,671,938, respectively.

GREATER JASPER CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. *Other Postemployment Benefits***

The School Corporation provides to eligible retirees and their spouses health insurance benefits. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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## 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 3,045,771	\$ 922,788	\$ 55,327	\$ 2,582,739	\$ 895,470	\$ 95,018	\$ 3,076,076	\$ 1,000,000	\$ 39,205
Receipts:									
Local sources	279,699	6,481,488	1,224,179	3,531,525	1,573,688	110,193	36,971	5,653	163,876
Intermediate sources	65	-	-	-	-	-	-	-	-
State sources	17,802,470	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	786	-	-	3,395	-	-	-	-	9,102,458
Total receipts	<u>18,083,020</u>	<u>6,481,488</u>	<u>1,224,179</u>	<u>3,534,920</u>	<u>1,573,688</u>	<u>110,193</u>	<u>36,971</u>	<u>5,653</u>	<u>9,266,334</u>
Disbursements:									
Current:									
Instruction	13,040,687	-	-	44,854	210,239	-	40,283	903,998	-
Support services	3,728,342	-	-	2,044,179	1,164,466	100,000	465,282	158,325	-
Noninstructional services	67,421	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	263,791	-	-	-	-	1,872,851
Debt services	3,000,000	6,496,032	1,235,784	10,887	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>19,836,450</u>	<u>6,496,032</u>	<u>1,235,784</u>	<u>2,363,711</u>	<u>1,374,705</u>	<u>100,000</u>	<u>505,565</u>	<u>1,062,323</u>	<u>1,872,851</u>
Excess (deficiency) of receipts over disbursements	<u>(1,753,430)</u>	<u>(14,544)</u>	<u>(11,605)</u>	<u>1,171,209</u>	<u>198,983</u>	<u>10,193</u>	<u>(468,594)</u>	<u>(1,056,670)</u>	<u>7,393,483</u>
Other financing sources (uses):									
Transfers in	336,698	-	22,000	-	-	-	1,750,000	2,500,000	-
Transfers out	-	-	-	(1,500,000)	(250,000)	-	(2,522,000)	(336,698)	-
Total other financing sources (uses)	<u>336,698</u>	<u>-</u>	<u>22,000</u>	<u>(1,500,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>(772,000)</u>	<u>2,163,302</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,416,732)</u>	<u>(14,544)</u>	<u>10,395</u>	<u>(328,791)</u>	<u>(51,017)</u>	<u>10,193</u>	<u>(1,240,594)</u>	<u>1,106,632</u>	<u>7,393,483</u>
Cash and investments - ending	<u>\$ 1,629,039</u>	<u>\$ 908,244</u>	<u>\$ 65,722</u>	<u>\$ 2,253,948</u>	<u>\$ 844,453</u>	<u>\$ 105,211</u>	<u>\$ 1,835,482</u>	<u>\$ 2,106,632</u>	<u>\$ 7,432,688</u>

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

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply Special Education Cooperative	Joint Services and Supply Transportation	Joint Services and Supply Area Vocational School	Health Occupations 2010-2011	Health Occupations 2011-2012
Cash and investments - beginning	\$ 657,725	\$ 307,701	\$ 4,645,185	\$ 122,333	\$ 709,081	\$ 407,516	\$ 225,597	\$ 11,757	\$ -
Receipts:									
Local sources	957,836	467,628	4,793,779	-	516,081	429,240	442,230	3,215	51,923
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	22,672	152,916	-	-	-	-	-	-	-
Federal sources	1,119,894	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,100,402</u>	<u>620,544</u>	<u>4,793,779</u>	<u>-</u>	<u>516,081</u>	<u>429,240</u>	<u>442,230</u>	<u>3,215</u>	<u>51,923</u>
Disbursements:									
Current:									
Instruction	192,412	-	-	-	11,015	-	12	-	58,512
Support services	884	745,866	3,635,580	-	375,203	449,625	475,018	-	-
Noninstructional services	1,629,244	-	-	-	-	-	-	-	-
Facilities acquisition and construction	19,486	-	-	-	28,100	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	89,106	-	-	-	-	-	-	-	-
Total disbursements	<u>1,931,132</u>	<u>745,866</u>	<u>3,635,580</u>	<u>-</u>	<u>414,318</u>	<u>449,625</u>	<u>475,030</u>	<u>-</u>	<u>58,512</u>
Excess (deficiency) of receipts over disbursements	<u>169,270</u>	<u>(125,322)</u>	<u>1,158,199</u>	<u>-</u>	<u>101,763</u>	<u>(20,385)</u>	<u>(32,800)</u>	<u>3,215</u>	<u>(6,589)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	14,972
Transfers out	-	-	-	-	-	-	-	(14,972)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,972)</u>	<u>14,972</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>169,270</u>	<u>(125,322)</u>	<u>1,158,199</u>	<u>-</u>	<u>101,763</u>	<u>(20,385)</u>	<u>(32,800)</u>	<u>(11,757)</u>	<u>8,383</u>
Cash and investments - ending	<u>\$ 826,995</u>	<u>\$ 182,379</u>	<u>\$ 5,803,384</u>	<u>\$ 122,333</u>	<u>\$ 810,844</u>	<u>\$ 387,131</u>	<u>\$ 192,797</u>	<u>\$ -</u>	<u>\$ 8,383</u>

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

	Law Enforcement 2011-2012	Law Enforcement 2010-2011	Educational License Plates	SAFE School Haven	Donations Gifts and Trusts	Recreational Activities	High Ability 2010-2011	High Ability 2011-2012	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ (1,352)	\$ 6,004	\$ 226	\$ 987	\$ -	\$ 7,733	\$ (6,539)	\$ 71,248
Receipts:									
Local sources	51,859	9,155	-	-	200	-	-	-	-
Intermediate sources	-	-	394	-	-	19,570	-	-	-
State sources	-	-	-	-	-	-	-	37,389	21,562
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>51,859</u>	<u>9,155</u>	<u>394</u>	<u>-</u>	<u>200</u>	<u>19,570</u>	<u>-</u>	<u>37,389</u>	<u>21,562</u>
Disbursements:									
Current:									
Instruction	41,810	7,803	-	-	-	-	7,733	21,804	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	358	14,130	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>41,810</u>	<u>7,803</u>	<u>-</u>	<u>-</u>	<u>358</u>	<u>14,130</u>	<u>7,733</u>	<u>21,804</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>10,049</u>	<u>1,352</u>	<u>394</u>	<u>-</u>	<u>(158)</u>	<u>5,440</u>	<u>(7,733)</u>	<u>15,585</u>	<u>21,562</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>10,049</u>	<u>1,352</u>	<u>394</u>	<u>-</u>	<u>(158)</u>	<u>5,440</u>	<u>(7,733)</u>	<u>15,585</u>	<u>21,562</u>
Cash and investments - ending	<u>\$ 10,049</u>	<u>\$ -</u>	<u>\$ 6,398</u>	<u>\$ 226</u>	<u>\$ 829</u>	<u>\$ 5,440</u>	<u>\$ -</u>	<u>\$ 9,046</u>	<u>\$ 92,810</u>

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

	English Non-English 2011-2012	English Non-English 2010-2011	School Technology	Math Grant	Performance Based Awards	Excess PTRC Distributions	Title I 2010-2011	Title I 2009	Title I 2011-2012
Cash and investments - beginning	\$ -	\$ 4,588	\$ 11,482	\$ 12,502	\$ 1,371	\$ 62,519	\$ (28,704)	\$ 5,868	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	6,740	-	-	-	-	-	-
Federal sources	22,287	-	-	-	-	-	19,451	-	161,252
Other	-	-	-	-	-	-	-	-	-
Total receipts	22,287	-	6,740	-	-	-	19,451	-	161,252
Disbursements:									
Current:									
Instruction	18,812	4,588	-	-	-	-	8,843	5,868	164,608
Support services	-	-	16,408	12,502	-	-	-	-	984
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	18,812	4,588	16,408	12,502	-	-	8,843	5,868	165,592
Excess (deficiency) of receipts over disbursements	3,475	(4,588)	(9,668)	(12,502)	-	-	10,608	(5,868)	(4,340)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	18,096	-	-
Transfers out	-	-	-	-	-	-	-	-	(18,096)
Total other financing sources (uses)	-	-	-	-	-	-	18,096	-	(18,096)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,475	(4,588)	(9,668)	(12,502)	-	-	28,704	(5,868)	(22,436)
Cash and investments - ending	\$ 3,475	\$ -	\$ 1,814	\$ -	\$ 1,371	\$ 62,519	\$ -	\$ -	\$ (22,436)

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

	IDEA	IDEA 2011-2012	Patins Assistive Technology	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Assistance Educational Preschool Handicapped	Preschool 2011-2012	Adult Education and Family Literacy Title II	Drug Free Schools Title IV	Vocational and Technical Board Grants
Cash and investments - beginning	\$ (20,296)	\$ -	\$ -	\$ -	\$ (731)	\$ -	\$ (13,324)	\$ -	\$ 147
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,039,142	1,495,899	70,000	-	29,612	59,689	32,857	1,288	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,039,142	1,495,899	70,000	-	29,612	59,689	32,857	1,288	-
Disbursements:									
Current:									
Instruction	377,589	593,305	-	27,280	21,996	65,575	-	-	147
Support services	641,254	1,072,366	70,000	-	6,885	-	19,533	1,288	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,018,843	1,665,671	70,000	27,280	28,881	65,575	19,533	1,288	147
Excess (deficiency) of receipts over disbursements	20,299	(169,772)	-	(27,280)	731	(5,886)	13,324	-	(147)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,299	(169,772)	-	(27,280)	731	(5,886)	13,324	-	(147)
Cash and investments - ending	\$ 3	\$ (169,772)	\$ -	\$ (27,280)	\$ -	\$ (5,886)	\$ -	\$ -	\$ -

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

	Perkins Jasper First Robotics	Perkins Pike First Robotics	Perkins Grant	VOC	VOC	Voc Ed Perkins 2011-2012	Medicaid Reimbursement Federal	Emergency Response Grant	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ (378)	\$ 5,218	\$ (11,260)	\$ -	\$ 101,358	\$ 790	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	65
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	4,600	4,600	1,734	-	27,769	113,852	35,165	-	43,235
Other	-	-	-	-	-	-	-	-	-
Total receipts	4,600	4,600	1,734	-	27,769	113,852	35,165	-	43,300
Disbursements:									
Current:									
Instruction	4,600	4,600	1,356	5,218	16,509	113,852	-	-	29,823
Support services	-	-	-	-	-	-	3,157	790	18,851
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,600	4,600	1,356	5,218	16,509	113,852	3,157	790	48,674
Excess (deficiency) of receipts over disbursements	-	-	378	(5,218)	11,260	-	32,008	(790)	(5,374)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	378	(5,218)	11,260	-	32,008	(790)	(5,374)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,366	\$ -	\$ (5,374)

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

	Title II Part A 2010-2011	Title III Language Instruction	Public Charter School ESEA Title X Part C	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (3,715)	\$ (2,180)	\$ -	\$ 743	\$ (46,938)	\$ 1,030	\$ -	\$ -	\$ 18,957,686
Receipts:									
Local sources	-	-	-	-	-	-	-	-	21,130,483
Intermediate sources	-	-	-	-	-	-	-	-	20,029
State sources	-	-	-	-	-	-	-	-	18,043,749
Federal sources	17,464	9,834	22,389	17,334	295,353	7,820	565,379	-	5,217,899
Other	-	-	-	-	-	-	-	17,163,299	26,269,938
Total receipts	17,464	9,834	22,389	17,334	295,353	7,820	565,379	17,163,299	70,682,098
Disbursements:									
Current:									
Instruction	13,649	7,654	24,511	15,125	30,919	1,573	457,380	-	16,596,542
Support services	100	-	-	2,952	217,496	7,277	107,999	-	15,542,612
Noninstructional services	-	-	-	-	-	-	-	-	1,711,153
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,184,228
Debt services	-	-	-	-	-	-	-	-	10,742,703
Nonprogrammed charges	-	-	-	-	-	-	-	17,163,299	17,252,405
Total disbursements	13,749	7,654	24,511	18,077	248,415	8,850	565,379	17,163,299	64,029,643
Excess (deficiency) of receipts over disbursements	3,715	2,180	(2,122)	(743)	46,938	(1,030)	-	-	6,652,455
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	4,641,766
Transfers out	-	-	-	-	-	-	-	-	(4,641,766)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,715	2,180	(2,122)	(743)	46,938	(1,030)	-	-	6,652,455
Cash and investments - ending	\$ -	\$ -	\$ (2,122)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,610,141

GREATER JASPER CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 1,629,039	\$ 908,244	\$ 65,722	\$ 2,253,948	\$ 844,453	\$ 105,211	\$ 1,835,482	\$ 2,106,632	\$ 7,432,688
Receipts:									
Local sources	131,803	6,558,455	1,239,106	3,774,924	1,681,227	91,223	37,505	-	810
Intermediate sources	196	-	-	-	-	-	-	-	-
State sources	18,659,469	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	133	-	-	-	-	-	-	-	2,101,396
Total receipts	<u>18,791,601</u>	<u>6,558,455</u>	<u>1,239,106</u>	<u>3,774,924</u>	<u>1,681,227</u>	<u>91,223</u>	<u>37,505</u>	<u>-</u>	<u>2,102,206</u>
Disbursements:									
Current:									
Instruction	13,716,342	-	-	45,551	217,879	-	60,859	773,340	-
Support services	4,618,497	-	-	2,210,287	1,197,532	-	158,114	121,346	-
Noninstructional services	78,067	-	-	-	-	-	1,232	-	-
Facilities acquisition and construction	1,500	-	-	183,440	-	-	617,328	-	10,890,913
Debt services	-	6,432,126	1,236,916	96,198	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>18,414,406</u>	<u>6,432,126</u>	<u>1,236,916</u>	<u>2,535,476</u>	<u>1,415,411</u>	<u>-</u>	<u>837,533</u>	<u>894,686</u>	<u>10,890,913</u>
Excess (deficiency) of receipts over disbursements	<u>377,195</u>	<u>126,329</u>	<u>2,190</u>	<u>1,239,448</u>	<u>265,816</u>	<u>91,223</u>	<u>(800,028)</u>	<u>(894,686)</u>	<u>(8,788,707)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	1,900,000	250,000	-
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>1,900,000</u>	<u>250,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>127,195</u>	<u>126,329</u>	<u>2,190</u>	<u>(260,552)</u>	<u>(134,184)</u>	<u>91,223</u>	<u>1,099,972</u>	<u>(644,686)</u>	<u>(8,788,707)</u>
Cash and investments - ending	<u>\$ 1,756,234</u>	<u>\$ 1,034,573</u>	<u>\$ 67,912</u>	<u>\$ 1,993,396</u>	<u>\$ 710,269</u>	<u>\$ 196,434</u>	<u>\$ 2,935,454</u>	<u>\$ 1,461,946</u>	<u>\$ (1,356,019)</u>

GREATER JASPER CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply Special Education Cooperative	Joint Services and Supply Transportation	Joint Services and Supply Area Vocational School	Health Occupations 2012-2013	Health Occupations 2011-2012
Cash and investments - beginning	\$ 826,995	\$ 182,379	\$ 5,803,384	\$ 122,333	\$ 810,844	\$ 387,131	\$ 192,797	\$ -	\$ 8,383
Receipts:									
Local sources	989,695	410,913	4,856,320	-	438,837	563,485	364,021	78,921	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	23,980	170,912	-	-	-	-	-	-	-
Federal sources	1,219,742	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,233,417</u>	<u>581,825</u>	<u>4,856,320</u>	<u>-</u>	<u>438,837</u>	<u>563,485</u>	<u>364,021</u>	<u>78,921</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	179,746	-	-	-	6,617	-	87	61,842	-
Support services	2,264	340,506	-	-	320,119	490,902	405,943	-	-
Noninstructional services	1,707,596	-	-	-	-	-	-	-	-
Facilities acquisition and construction	17,692	-	-	-	28,100	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	95,908	-	3,554,812	-	-	-	-	-	-
Total disbursements	<u>2,003,206</u>	<u>340,506</u>	<u>3,554,812</u>	<u>-</u>	<u>354,836</u>	<u>490,902</u>	<u>406,030</u>	<u>61,842</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>230,211</u>	<u>241,319</u>	<u>1,301,508</u>	<u>-</u>	<u>84,001</u>	<u>72,583</u>	<u>(42,009)</u>	<u>17,079</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	8,383	-
Transfers out	-	-	-	-	-	-	-	-	(8,383)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,383</u>	<u>(8,383)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>230,211</u>	<u>241,319</u>	<u>1,301,508</u>	<u>-</u>	<u>84,001</u>	<u>72,583</u>	<u>(42,009)</u>	<u>25,462</u>	<u>(8,383)</u>
Cash and investments - ending	<u>\$ 1,057,206</u>	<u>\$ 423,698</u>	<u>\$ 7,104,892</u>	<u>\$ 122,333</u>	<u>\$ 894,845</u>	<u>\$ 459,714</u>	<u>\$ 150,788</u>	<u>\$ 25,462</u>	<u>\$ -</u>

GREATER JASPER CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Law Enforcement 2012-2013	Law Enforcement 2011-2012	Educational License Plates	Alternative Education	SAFE School Haven	Donations Gifts and Trusts	Recreational Activities	High Ability 2012-2013	High Ability 2011-2012
Cash and investments - beginning	\$ -	\$ 10,049	\$ 6,398	\$ -	\$ 226	\$ 829	\$ 5,440	\$ -	\$ 9,046
Receipts:									
Local sources	28,950	-	-	2,764	-	-	-	-	-
Intermediate sources	-	-	319	-	-	-	21,770	-	-
State sources	-	-	-	-	-	-	-	38,561	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>28,950</u>	<u>-</u>	<u>319</u>	<u>2,764</u>	<u>-</u>	<u>-</u>	<u>21,770</u>	<u>38,561</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	39,686	6,150	-	-	-	-	-	34,622	9,046
Support services	-	-	-	3,482	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	25,795	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>39,686</u>	<u>6,150</u>	<u>-</u>	<u>3,482</u>	<u>-</u>	<u>-</u>	<u>25,795</u>	<u>34,622</u>	<u>9,046</u>
Excess (deficiency) of receipts over disbursements	<u>(10,736)</u>	<u>(6,150)</u>	<u>319</u>	<u>(718)</u>	<u>-</u>	<u>-</u>	<u>(4,025)</u>	<u>3,939</u>	<u>(9,046)</u>
Other financing sources (uses):									
Transfers in	3,899	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>(3,899)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,899</u>	<u>(3,899)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,837)</u>	<u>(10,049)</u>	<u>319</u>	<u>(718)</u>	<u>-</u>	<u>-</u>	<u>(4,025)</u>	<u>3,939</u>	<u>(9,046)</u>
Cash and investments - ending	<u>\$ (6,837)</u>	<u>\$ -</u>	<u>\$ 6,717</u>	<u>\$ (718)</u>	<u>\$ 226</u>	<u>\$ 829</u>	<u>\$ 1,415</u>	<u>\$ 3,939</u>	<u>\$ -</u>

GREATER JASPER CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Medicaid Reimbursement	English Non-English 2011-2012	English Non-English 2010-2011	School Technology	Performance Based Awards	Excess PTRC Distributions	Title I 2011-2012	Title I 2012-2013	IDEA
Cash and investments - beginning	\$ 92,810	\$ 3,475	\$ -	\$ 1,814	\$ 1,371	\$ 62,519	\$ (22,436)	\$ -	\$ 3
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	20,704	-	-	7,275	-	-	-	-	-
Federal sources	-	-	20,416	-	-	-	53,033	144,673	1,426,225
Other	-	-	-	-	-	-	-	-	-
Total receipts	20,704	-	20,416	7,275	-	-	53,033	144,673	1,426,225
Disbursements:									
Current:									
Instruction	-	3,475	17,396	-	-	-	30,259	195,060	564,903
Support services	-	-	-	7,422	-	-	338	-	914,767
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,475	17,396	7,422	-	-	30,597	195,060	1,479,670
Excess (deficiency) of receipts over disbursements	20,704	(3,475)	3,020	(147)	-	-	22,436	(50,387)	(53,445)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,704	(3,475)	3,020	(147)	-	-	22,436	(50,387)	(53,445)
Cash and investments - ending	\$ 113,514	\$ -	\$ 3,020	\$ 1,667	\$ 1,371	\$ 62,519	\$ -	\$ (50,387)	\$ (53,442)

GREATER JASPER CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	IDEA 2011-2012	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Grant 2013	Federal Assistance Educational Preschool Handicapped	Preschool 2011-2012	VOC Robotics	VOC Biomed	VOC Perkins	Title VII Bilingual (Includes Lau Program)
Cash and investments - beginning	\$ (169,772)	\$ (27,280)	\$ -	\$ -	\$ (5,886)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,329,386	70,000	185	55,671	53,607	3,300	3,279	118,205	1,000
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,329,386</u>	<u>70,000</u>	<u>185</u>	<u>55,671</u>	<u>53,607</u>	<u>3,300</u>	<u>3,279</u>	<u>118,205</u>	<u>1,000</u>
Disbursements:									
Current:									
Instruction	441,896	23,165	185	57,632	47,721	3,300	3,279	118,133	-
Support services	717,725	19,555	1,731	-	-	-	-	255	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,159,621</u>	<u>42,720</u>	<u>1,916</u>	<u>57,632</u>	<u>47,721</u>	<u>3,300</u>	<u>3,279</u>	<u>118,388</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>169,765</u>	<u>27,280</u>	<u>(1,731)</u>	<u>(1,961)</u>	<u>5,886</u>	<u>-</u>	<u>-</u>	<u>(183)</u>	<u>1,000</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>169,765</u>	<u>27,280</u>	<u>(1,731)</u>	<u>(1,961)</u>	<u>5,886</u>	<u>-</u>	<u>-</u>	<u>(183)</u>	<u>1,000</u>
Cash and investments - ending	<u>\$ (7)</u>	<u>\$ -</u>	<u>\$ (1,731)</u>	<u>\$ (1,961)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (183)</u>	<u>\$ 1,000</u>

GREATER JASPER CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Medicaid Reimbursement Federal	Community Transformation Grant	Improving Teaching Quality No Child Left Title II, Part A	ITQ Enhanced Education Through Technology Title II, Part D	Title III 2012-2013	Public Charter School ESEA Title X Part C	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 133,366	\$ -	\$ (5,374)	\$ -	\$ -	\$ (2,122)	\$ -	\$ -	\$ 25,610,141
Receipts:									
Local sources	-	-	-	-	-	-	-	-	21,248,959
Intermediate sources	-	5,274	-	-	-	-	-	-	27,559
State sources	-	-	-	-	-	-	-	-	18,920,901
Federal sources	40,942	-	20,509	64,917	24,160	9,052	11,544	-	4,669,846
Other	-	-	-	-	-	-	-	17,411,244	19,512,773
Total receipts	<u>40,942</u>	<u>5,274</u>	<u>20,509</u>	<u>64,917</u>	<u>24,160</u>	<u>9,052</u>	<u>11,544</u>	<u>17,411,244</u>	<u>64,380,038</u>
Disbursements:									
Current:									
Instruction	-	-	10,635	23,911	24,992	6,151	11,544	-	16,735,404
Support services	4,837	-	4,500	41,006	1,099	228	-	-	11,582,455
Noninstructional services	-	5,662	-	-	-	-	-	-	1,818,352
Facilities acquisition and construction	-	-	-	-	-	-	-	-	11,738,973
Debt services	-	-	-	-	-	-	-	-	7,765,240
Nonprogrammed charges	-	-	-	-	-	-	-	17,411,244	21,061,964
Total disbursements	<u>4,837</u>	<u>5,662</u>	<u>15,135</u>	<u>64,917</u>	<u>26,091</u>	<u>6,379</u>	<u>11,544</u>	<u>17,411,244</u>	<u>70,702,388</u>
Excess (deficiency) of receipts over disbursements	<u>36,105</u>	<u>(388)</u>	<u>5,374</u>	<u>-</u>	<u>(1,931)</u>	<u>2,673</u>	<u>-</u>	<u>-</u>	<u>(6,322,350)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	2,162,282
Transfers out	-	-	-	-	-	-	-	-	(2,162,282)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>36,105</u>	<u>(388)</u>	<u>5,374</u>	<u>-</u>	<u>(1,931)</u>	<u>2,673</u>	<u>-</u>	<u>-</u>	<u>(6,322,350)</u>
Cash and investments - ending	<u>\$ 169,471</u>	<u>\$ (388)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,931)</u>	<u>\$ 551</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,287,791</u>

GREATER JASPER CONSOLIDATED SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2013

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal Due Within One Year
Governmental activities:		
Capital leases:		
JHS (2002 Greater Jasper Schools Building Corporation)	\$ 13,318,046	\$ 1,507,478
JMS (2002 Greater Jasper Schools Building Corporation)	13,702,157	1,935,738
Bonds payable:		
General obligation bonds:		
2004 pension bonds, school severance program	<u>6,569,408</u>	<u>890,000</u>
Total governmental activities debt	<u>\$ 33,589,611</u>	<u>\$ 4,333,216</u>

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GREATER JASPER CONSOLIDATED SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2013

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,919,012
Buildings	149,233,727
Infrastructure	2,599,779
Machinery and equipment	<u>10,095,592</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 164,848,110</u>

GREATER JASPER CONSOLIDATED SCHOOLS  
AUDIT RESULTS AND COMMENTS

**FUND SOURCES AND USES**

The School Corporation disbursed \$34,088 for trash removal and \$18,898 for pest control from the Capital Projects Fund during the audit period. These disbursements should have been made from the General Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

**TEXTBOOK RENTAL FEES**

The School Corporation charged a general or materials fee to each student on their textbook rental bill which covered paper, toner, supplies, and technology costs. The general fee was approved by the School Board.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to the statutory or Constitutional provisions. (Accounting and uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The Supreme Court provided in *Nagy v. Evansville-Vanderburgh School Corporation*, 844 N.E.2d 481 (Ind. 2006) Where the legislature-or through delegation of its authority the State Board has identified programs, activities, projects, services or curricula that it either mandates or permits school corporations to undertake, the legislature has made a policy decision regarding exactly what qualifies as part of a uniform system of public education commanded by Article 8, section 1 and thus what qualifies for funding at public expense. And of course the legislature has the authority to place appropriate conditions or limitations on any such funding. However, absent specific statutory authority, fees, or charges for what are otherwise public education cost items cannot be levied directly or indirectly against students or their parents. Only programs, activities, projects, services or curricula that are outside of or expand upon those identified by the legislature-what we understand to be "extracurricular"-may be considered as not a part of a publicly funded education. And thus a reasonable fee may be assessed, but only against those students who participate in or take advantage of them.

The State Board of Accounts is of the audit position the following are some of the types of fees that should not be assessed, collected or receipted by a school or school corporation: Air Conditioning Fees; Instructional Fees; Bus Rider Fees for Students to Attend Classes; Fees for Payroll Positions (Nurses, Principals, Counselors, etc.) (The School Administrator and Uniform Compliance Guidelines, Volume 190, Page 5)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE GREATER JASPER CONSOLIDATED  
SCHOOLS, DUBOIS COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited the Greater Jasper Consolidated Schools (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

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

***Report on Internal Control Over Compliance***

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

January 16, 2014

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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.

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GREATER JASPER CONSOLIDATED SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2012 and 2013

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 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 108,783	\$ -
FY 11-12			-	123,428
FY 12-13			-	-
Total for program			<u>108,783</u>	<u>123,428</u>
National School Lunch Program				
FY 11-12	10.555		537,962	-
FY 12-13			-	577,343
Total for program			<u>537,962</u>	<u>577,343</u>
Total for cluster			<u>646,745</u>	<u>700,771</u>
Total for federal grantor agency			<u>646,745</u>	<u>700,771</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			
FY 10-11		11-2120	37,547	-
FY 11-12		12-2120	161,252	53,033
FY 12-13		13-2120	-	144,673
Total for program			<u>198,799</u>	<u>197,706</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
FY 11-12		12-2120	17,334	-
Total for cluster			<u>216,133</u>	<u>197,706</u>

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

GREATER JASPER CONSOLIDATED SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2012 and 2013  
(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 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster				
Special Education - Grants to States	84.027			
FY 10-11		14211-011-PN01	1,039,142	-
FY 11-12		14212-011-PN01	1,495,899	1,329,386
FY 12-13		14213-011-PN01	-	1,426,225
PATINS Discretionary Improvement Grant			70,000	70,000
			<u>-</u>	<u>185</u>
Total for program			<u>2,605,041</u>	<u>2,825,796</u>
Special Education - Preschool Grants				
FY 10-11	84.173	45711-011-PN01	29,612	-
FY 11-12		47512-011-PN01	59,689	53,607
FY 12-13		47513-011-PN01	-	55,671
			<u>-</u>	<u>55,671</u>
Total for program			<u>89,301</u>	<u>109,278</u>
ARRA - Special Education - Grants to States, Recovery Act				
FY 11-12	84.391	33310-011-SN01	295,353	-
ARRA - Special Education - Preschool Grants, Recovery Act				
FY 11-12	84.392	44410-011-SN01	7,820	-
Total for cluster			<u>2,997,515</u>	<u>2,935,074</u>
Adult Education - Basic Grants to States				
FY 11-12	84.002	FY 2012-8063	32,857	-
Career and Technical Education - Basic Grants to States				
FY 11-12	84.048	12-4700-2120	113,852	-
FY 12-13		13-4700-2120	-	118,205
			<u>-</u>	<u>118,205</u>
Total for program			<u>113,852</u>	<u>118,205</u>

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

GREATER JASPER CONSOLIDATED SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2012 and 2013  
(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 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Safe and Drug Free Schools and Communities - State Grants FY 10-11	84.186	10-2120	1,288	-
Tech-Prep Education FY 11-12	84.243	A58-1-10CI-045	38,703	-
FY 12-13		A58-1-10CI-045	-	7,579
Total for program			<u>38,703</u>	<u>7,579</u>
English Language Acquisition Grants FY 10-11	84.365	11-2120-59K00	9,834	-
FY 11-12		12-2120-59K00	22,389	9,052
FY 12-13		13-2120-59K00	-	24,160
Total for program			<u>32,223</u>	<u>33,212</u>
Improving Teacher Quality State Grants FY 10-11	84.367	10-2120	17,464	-
FY 11-12		11-2120	43,235	20,509
FY 12-13		12-2120	-	64,917
Total for program			<u>60,699</u>	<u>85,426</u>
Education Jobs Fund FY 11-12	84.410		565,379	-
FY 12-13			-	11,544
Total for program			<u>565,379</u>	<u>11,544</u>
Total for federal grantor agency			<u>4,058,649</u>	<u>3,388,746</u>
Total federal awards expended			<u>\$ 4,705,394</u>	<u>\$ 4,089,517</u>

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

GREATER JASPER CONSOLIDATED SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

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

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
National School Lunch Program	10.555	\$ 98,134	\$ 102,863

GREATER JASPER CONSOLIDATED SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified 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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.410	Title I, Part A Cluster Special Education Cluster Education Jobs Grant

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.

GREATER JASPER CONSOLIDATED SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 16, 2014, with Dr. Tracy Lorey, Superintendent of Schools; Nancy L. Habig, President of the School Board; and Monica Young, Treasurer.