

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JENNINGS COUNTY SCHOOL CORPORATION
JENNINGS COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
06/13/2014

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.....	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.....	20-33
Schedule of Long-Term Debt	34
Schedule of Capital Assets.....	35
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	42-43
Notes to Schedule of Expenditures of Federal Awards.....	44
Schedule of Findings and Questioned Costs	45
Exit Conference.....	46

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amber K. Fields	07-01-10 to 06-30-14
Superintendent of Schools	Dr. Michael J. Bushong Dr. Terry Sargent	07-01-10 to 06-30-11 07-01-11 to 06-30-14
President of the School Board	Steve Elmore	07-01-10 to 06-30-14



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Jennings County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2010 to June 30, 2012, 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. The basis of accounting noted above is a different basis than that used in the prior period.

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, 2010 to June 30, 2012.

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, 2010 to June 30, 2012, 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 May 22, 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

May 22, 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 JENNINGS COUNTY SCHOOL
CORPORATION, JENNINGS 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 Jennings County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2010 to June 30, 2012, and the related notes to the financial statement, and have issued our report thereon dated May 22, 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

May 22, 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.

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

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 2,837,803	\$ 33,818,256	\$ 33,949,652	\$ 115,948	\$ 2,822,355	\$ 33,024,403	\$ 33,394,162	\$ 139,904	\$ 2,592,500
Debt Service	1,475,596	3,300,279	2,890,845	(119,019)	1,766,011	3,357,447	3,186,496	(165,448)	1,771,514
Retirement/Severance Bond	24,730	424,686	385,002	(2,285)	62,129	360,350	383,846	(17,202)	21,431
Capital Projects	1,724,041	3,415,616	3,244,759	41,173	1,936,071	3,325,530	2,956,054	(110,710)	2,194,837
Transportation Operating	2,027,550	3,490,660	3,751,768	(102,200)	1,664,242	3,583,856	3,058,587	(892,034)	1,297,477
School Bus Replacement	205,642	297,591	139,500	(267,412)	96,321	209,776	258,777	(12,658)	34,662
Rainy Day	1,286,070	-	-	366,457	1,652,527	-	29,720	750,000	2,372,807
School Lunch	813,793	2,593,666	2,512,229	-	895,230	2,736,402	2,840,848	-	790,784
Textbook Rental	6,007	497,855	473,287	-	30,575	909,996	975,063	35,822	1,330
Self-Insurance	745,871	6,569,368	6,640,611	-	674,628	7,100,496	7,765,286	-	9,838
Levy Excess	-	42,168	-	-	42,168	-	42,168	442,230	442,230
Child Care Program	75,621	-	-	-	75,621	-	-	-	75,621
Educational License Plates	5,337	525	-	-	5,862	413	-	-	6,275
Alternative Education	-	24,207	-	-	24,207	29,920	54,127	-	-
SAFE School Haven	8,150	12,000	8,150	-	12,000	12,000	12,000	(12,000)	-
Early Intervention Reading Recovery	-	-	-	-	-	7,280	7,280	-	-
Donation	9,226	-	-	-	9,226	3,150	4,175	1,025	9,226
Eco-15 Biomedical	2,400	13,217	15,509	-	108	10,000	8,281	-	1,827
High Ability Grant 2010-2011	-	46,840	43,519	-	3,321	550	3,871	-	-
High Ability Grant 2009-2010	4,225	-	4,225	-	-	-	-	-	-
High Ability Grant 2011-2012	-	-	-	-	-	64,728	58,559	-	6,169
Common School Loan Technology	-	200	200	-	-	764,801	760,997	-	3,804
Adult and Continuing Education	-	-	-	-	-	124,808	-	(124,808)	-
Medicaid Reimbursement - State	27,725	8,593	-	-	36,318	11,422	-	-	47,740
Non-English Speaking Grant	-	5,089	5,089	-	-	-	-	-	-
School Technology Connectivity	-	3,617	-	-	3,617	3,617	5,478	-	1,756
Title I 2010-2011	-	720,262	879,567	81,798	(77,507)	234,237	57,124	(99,606)	-
Title I 2009-2010	81,798	-	-	(81,798)	-	-	-	-	-
Title I 2011-2012	-	-	-	-	-	1,011,198	1,106,685	99,606	4,119
Title I Distinguished Schools	-	-	-	-	-	25,000	-	-	25,000
Special Education Improvement Award 2012	-	-	-	-	-	35,000	33,789	-	1,211
PL 108-446 FY 2010 Carry-Over	-	306,762	304,462	-	2,300	93,115	95,415	-	-
PL 101-476 FY 2009 Carry-Over	15,990	-	15,990	-	-	-	-	-	-
FY 2011 Part B, IDEA	-	1,029,542	1,028,016	-	1,526	578,105	578,151	-	1,480
FY 2010 Part B, IDEA	25,619	394,978	420,597	-	-	-	-	-	-
FY 2012 Part B, IDEA	-	-	-	-	-	986,853	985,698	-	1,155
Federal Assistance Educational Preschool Handicapped	-	25,612	25,612	-	-	23,420	23,420	-	-
Preschool Federal FY 2010	4,520	15,480	20,000	-	-	31,035	31,035	-	-
Preschool Federal FY 2010 Carry-Over	-	-	-	-	-	2,049	2,049	-	-
Drug Free Schools 2009-2010	1,134	25,465	26,574	-	25	-	25	-	-
Nutritional Grant - State	-	6,075	2,174	-	3,901	-	3,901	-	-
Medicaid Reimbursement - Federal	-	23,295	5,985	-	17,310	31,214	36,334	-	12,190
Outward Bound	12,467	10,460	21,766	-	1,161	11,425	12,303	-	283
Improving Teaching Quality, No Child Left, Title II, Part A	207	330,756	328,364	-	2,599	319,758	319,005	-	3,352
ITQ, Enhanced Education Through Technology, Title II, Part D	62,940	-	62,940	-	-	-	-	-	-
Title III, Language Instruction	1,923	-	-	-	1,923	8,868	5,450	-	5,341
Title I - Stimulus 2009	29,292	296,252	325,530	-	14	76,148	76,162	-	-
Special Education - Part B - Stimulus	6,045	688,377	691,150	-	3,272	131,877	135,149	-	-
Special Education - Preschool - Stimulus	2,941	9,017	11,958	-	-	14,530	14,530	-	-
Qualified School Construction Bonds	-	-	314,531	1,862,593	1,548,062	-	1,406,619	-	141,443
Education Jobs	-	71,710	70,891	-	819	1,320,254	1,321,073	-	-
Payroll	136,336	8,841,513	8,977,849	-	-	8,608,215	8,608,215	-	-
Totals	\$ 11,660,999	\$ 67,359,989	\$ 67,598,301	\$ 1,895,255	\$ 13,317,942	\$ 69,183,246	\$ 70,657,907	\$ 34,121	\$ 11,877,402

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

JENNINGS COUNTY 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 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.

JENNINGS COUNTY SCHOOL CORPORATION
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.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

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

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.

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.

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 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 one fund with deficits in cash. This is a result of the grant reimbursement process.

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into capital leases with Jennings County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2011 and 2012 totaled \$2,734,684 and \$2,795,738, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: Health Insurance. 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.

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

	General	Debt Service	Retirement/ Severance Bond	Capital Projects	Transportation Operating	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 2,837,803	\$ 1,475,596	\$ 24,730	\$ 1,724,041	\$ 2,027,550	\$ 205,642	\$ 1,286,070	\$ 813,793
Receipts:								
Local sources	189,502	3,253,082	423,315	3,382,044	3,478,660	296,444	-	912,263
Intermediate sources	1,218	-	-	-	-	-	-	-
State sources	31,604,953	10,834	1,371	11,670	11,580	1,147	-	21,920
Federal sources	113,925	-	-	-	-	-	-	1,659,483
Interfund loans	1,098,000	-	-	-	-	-	-	-
Other	810,658	36,363	-	21,902	420	-	-	-
Total receipts	<u>33,818,256</u>	<u>3,300,279</u>	<u>424,686</u>	<u>3,415,616</u>	<u>3,490,660</u>	<u>297,591</u>	<u>-</u>	<u>2,593,666</u>
Disbursements:								
Current:								
Instruction	23,443,837	-	-	-	-	-	-	-
Support services	8,965,286	-	-	1,971,340	3,125,443	139,500	-	785
Noninstructional services	582,129	-	-	-	-	-	-	2,511,444
Facilities acquisition and construction	-	-	-	1,273,419	-	-	-	-
Debt services	-	2,890,845	385,002	-	626,325	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	958,400	-	-	-	-	-	-	-
Total disbursements	<u>33,949,652</u>	<u>2,890,845</u>	<u>385,002</u>	<u>3,244,759</u>	<u>3,751,768</u>	<u>139,500</u>	<u>-</u>	<u>2,512,229</u>
Excess (deficiency) of receipts over disbursements	<u>(131,396)</u>	<u>409,434</u>	<u>39,684</u>	<u>170,857</u>	<u>(261,108)</u>	<u>158,091</u>	<u>-</u>	<u>81,437</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	2,662	-	-	30,000	-	-	-	-
Transfers in	113,286	-	-	11,173	11,086	-	366,457	-
Transfers out	-	(119,019)	(2,285)	-	(113,286)	(267,412)	-	-
Total other financing sources (uses)	<u>115,948</u>	<u>(119,019)</u>	<u>(2,285)</u>	<u>41,173</u>	<u>(102,200)</u>	<u>(267,412)</u>	<u>366,457</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(15,448)</u>	<u>290,415</u>	<u>37,399</u>	<u>212,030</u>	<u>(363,308)</u>	<u>(109,321)</u>	<u>366,457</u>	<u>81,437</u>
Cash and investments - ending	<u>\$ 2,822,355</u>	<u>\$ 1,766,011</u>	<u>\$ 62,129</u>	<u>\$ 1,936,071</u>	<u>\$ 1,664,242</u>	<u>\$ 96,321</u>	<u>\$ 1,652,527</u>	<u>\$ 895,230</u>

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

	Textbook Rental	Self-Insurance	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Reading Recovery
Cash and investments - beginning	\$ 6,007	\$ 745,871	\$ -	\$ 75,621	\$ 5,337	\$ -	\$ 8,150	\$ -
Receipts:								
Local sources	347,855	6,569,368	-	-	-	-	-	-
Intermediate sources	-	-	-	-	525	-	-	-
State sources	-	-	42,168	-	-	24,207	12,000	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	150,000	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	497,855	6,569,368	42,168	-	525	24,207	12,000	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	223,287	6,634,611	-	-	-	-	8,150	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	6,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	250,000	-	-	-	-	-	-	-
Total disbursements	473,287	6,640,611	-	-	-	-	8,150	-
Excess (deficiency) of receipts over disbursements	24,568	(71,243)	42,168	-	525	24,207	3,850	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,568	(71,243)	42,168	-	525	24,207	3,850	-
Cash and investments - ending	\$ 30,575	\$ 674,628	\$ 42,168	\$ 75,621	\$ 5,862	\$ 24,207	\$ 12,000	\$ -

JENNINGS COUNTY 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)

	Donation	Eco-15 Biomedical	High Ability Grant 2010-2011	High Ability Grant 2009-2010	High Ability Grant 2011-2012	Common School Loan Technology	Adult and Continuing Education	Medicaid Reimbursement - State
Cash and investments - beginning	\$ 9,226	\$ 2,400	\$ -	\$ 4,225	\$ -	\$ -	\$ -	\$ 27,725
Receipts:								
Local sources	-	7,217	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	46,840	-	-	-	-	8,593
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	6,000	-	-	-	200	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	13,217	46,840	-	-	200	-	8,593
Disbursements:								
Current:								
Instruction	-	9,509	43,519	4,225	-	-	-	-
Support services	-	-	-	-	-	200	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	6,000	-	-	-	-	-	-
Total disbursements	-	15,509	43,519	4,225	-	200	-	-
Excess (deficiency) of receipts over disbursements	-	(2,292)	3,321	(4,225)	-	-	-	8,593
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,292)	3,321	(4,225)	-	-	-	8,593
Cash and investments - ending	\$ 9,226	\$ 108	\$ 3,321	\$ -	\$ -	\$ -	\$ -	\$ 36,318

JENNINGS COUNTY 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)

	Non-English Speaking Grant	School Technology Connectivity	Title I 2010-2011	Title I 2009-2010	Title I 2011-2012	Title I Distinguished Schools	Special Education Improvement Award 2012	PL 108-446 FY 2010 Carry-Over
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 81,798	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	5,089	3,617	-	-	-	-	-	-
Federal sources	-	-	670,262	-	-	-	-	251,762
Interfund loans	-	-	50,000	-	-	-	-	55,000
Other	-	-	-	-	-	-	-	-
Total receipts	5,089	3,617	720,262	-	-	-	-	306,762
Disbursements:								
Current:								
Instruction	5,089	-	820,180	-	-	-	-	207,855
Support services	-	-	45,627	-	-	-	-	71,607
Noninstructional services	-	-	13,760	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	25,000
Total disbursements	5,089	-	879,567	-	-	-	-	304,462
Excess (deficiency) of receipts over disbursements	-	3,617	(159,305)	-	-	-	-	2,300
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	81,798	-	-	-	-	-
Transfers out	-	-	-	(81,798)	-	-	-	-
Total other financing sources (uses)	-	-	81,798	(81,798)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,617	(77,507)	(81,798)	-	-	-	2,300
Cash and investments - ending	\$ -	\$ 3,617	\$ (77,507)	\$ -	\$ -	\$ -	\$ -	\$ 2,300

JENNINGS COUNTY 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)

	PL 101-476 FY 2009 Carry-Over	FY 2011 Part B, IDEA	FY 2010 Part B, IDEA	FY 2012 Part B, IDEA	Federal Assistance Educational Preschool Handicapped	Preschool Federal FY 2010	Preschool Federal FY 2010 Carry-Over
Cash and investments - beginning	\$ 15,990	\$ -	\$ 25,619	\$ -	\$ -	\$ 4,520	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	644,542	394,978	-	12,612	15,480	-
Interfund loans	-	385,000	-	-	13,000	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	1,029,542	394,978	-	25,612	15,480	-
Disbursements:							
Current:							
Instruction	9,898	415,028	82,596	-	12,612	-	-
Support services	6,092	312,988	38,001	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	300,000	300,000	-	13,000	20,000	-
Total disbursements	15,990	1,028,016	420,597	-	25,612	20,000	-
Excess (deficiency) of receipts over disbursements	(15,990)	1,526	(25,619)	-	-	(4,520)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,990)	1,526	(25,619)	-	-	(4,520)	-
Cash and investments - ending	\$ -	\$ 1,526	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Drug Free Schools 2009-2010	Nutritional Grant - State	Medicaid Reimbursement - Federal	Outward Bound	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III, Language Instruction
Cash and investments - beginning	\$ 1,134	\$ -	\$ -	\$ 12,467	\$ 207	\$ 62,940	\$ 1,923
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	19,265	6,075	23,295	10,460	240,756	-	-
Interfund loans	6,200	-	-	-	90,000	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>25,465</u>	<u>6,075</u>	<u>23,295</u>	<u>10,460</u>	<u>330,756</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	21,766	269,558	-	-
Support services	10,574	2,174	5,985	-	6,900	62,940	-
Noninstructional services	-	-	-	-	11,906	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	16,000	-	-	-	40,000	-	-
Total disbursements	<u>26,574</u>	<u>2,174</u>	<u>5,985</u>	<u>21,766</u>	<u>328,364</u>	<u>62,940</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,109)</u>	<u>3,901</u>	<u>17,310</u>	<u>(11,306)</u>	<u>2,392</u>	<u>(62,940)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,109)</u>	<u>3,901</u>	<u>17,310</u>	<u>(11,306)</u>	<u>2,392</u>	<u>(62,940)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 25</u>	<u>\$ 3,901</u>	<u>\$ 17,310</u>	<u>\$ 1,161</u>	<u>\$ 2,599</u>	<u>\$ -</u>	<u>\$ 1,923</u>

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

	Title I - Stimulus 2009	Special Education - Part B - Stimulus	Special Education - Preschool - Stimulus	Qualified School Construction Bonds	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ 29,292	\$ 6,045	\$ 2,941	\$ -	\$ -	\$ 136,336	\$ 11,660,999
Receipts:							
Local sources	-	-	-	-	-	-	18,859,750
Intermediate sources	-	-	-	-	-	-	1,743
State sources	-	-	-	-	-	-	31,805,989
Federal sources	201,252	613,377	6,017	-	41,710	-	4,925,251
Interfund loans	95,000	75,000	3,000	-	30,000	-	2,056,400
Other	-	-	-	-	-	8,841,513	9,710,856
Total receipts	<u>296,252</u>	<u>688,377</u>	<u>9,017</u>	<u>-</u>	<u>71,710</u>	<u>8,841,513</u>	<u>67,359,989</u>
Disbursements:							
Current:							
Instruction	304,479	60,091	8,958	-	33,020	-	25,752,220
Support services	-	546,059	-	-	-	-	22,177,549
Noninstructional services	1,051	-	-	-	17,871	-	3,138,161
Facilities acquisition and construction	-	-	-	314,531	-	-	1,593,950
Debt services	-	-	-	-	-	-	3,902,172
Nonprogrammed charges	-	-	-	-	-	8,977,849	8,977,849
Interfund loans	20,000	85,000	3,000	-	20,000	-	2,056,400
Total disbursements	<u>325,530</u>	<u>691,150</u>	<u>11,958</u>	<u>314,531</u>	<u>70,891</u>	<u>8,977,849</u>	<u>67,598,301</u>
Excess (deficiency) of receipts over disbursements	<u>(29,278)</u>	<u>(2,773)</u>	<u>(2,941)</u>	<u>(314,531)</u>	<u>819</u>	<u>(136,336)</u>	<u>(238,312)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	1,862,593	-	-	1,862,593
Sale of capital assets	-	-	-	-	-	-	32,662
Transfers in	-	-	-	-	-	-	583,800
Transfers out	-	-	-	-	-	-	(583,800)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,862,593</u>	<u>-</u>	<u>-</u>	<u>1,895,255</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(29,278)</u>	<u>(2,773)</u>	<u>(2,941)</u>	<u>1,548,062</u>	<u>819</u>	<u>(136,336)</u>	<u>1,656,943</u>
Cash and investments - ending	<u>\$ 14</u>	<u>\$ 3,272</u>	<u>\$ -</u>	<u>\$ 1,548,062</u>	<u>\$ 819</u>	<u>\$ -</u>	<u>\$ 13,317,942</u>

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

	General	Debt Service	Retirement/ Severance Bond	Capital Projects	Transportation Operating	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 2,822,355	\$ 1,766,011	\$ 62,129	\$ 1,936,071	\$ 1,664,242	\$ 96,321	\$ 1,652,527	\$ 895,230
Receipts:								
Local sources	285,152	3,301,206	360,350	3,313,496	3,582,253	209,776	-	980,299
Intermediate sources	1,032	-	-	-	-	-	-	-
State sources	31,236,395	-	-	-	-	-	-	21,539
Federal sources	2,615	-	-	-	-	-	-	1,734,564
Interfund loans	1,465,400	-	-	-	-	-	-	-
Other	33,809	56,241	-	12,034	1,603	-	-	-
Total receipts	<u>33,024,403</u>	<u>3,357,447</u>	<u>360,350</u>	<u>3,325,530</u>	<u>3,583,856</u>	<u>209,776</u>	<u>-</u>	<u>2,736,402</u>
Disbursements:								
Current:								
Instruction	21,534,709	-	-	-	-	-	-	123,386
Support services	8,921,758	-	-	2,184,189	3,058,587	258,777	-	1,588
Noninstructional services	756,695	-	-	-	-	-	-	2,570,874
Facilities acquisition and construction	-	-	-	771,865	-	-	29,720	-
Debt services	-	3,186,496	383,846	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	145,000
Interfund loans	2,181,000	-	-	-	-	-	-	-
Total disbursements	<u>33,394,162</u>	<u>3,186,496</u>	<u>383,846</u>	<u>2,956,054</u>	<u>3,058,587</u>	<u>258,777</u>	<u>29,720</u>	<u>2,840,848</u>
Excess (deficiency) of receipts over disbursements	<u>(369,759)</u>	<u>170,951</u>	<u>(23,496)</u>	<u>369,476</u>	<u>525,269</u>	<u>(49,001)</u>	<u>(29,720)</u>	<u>(104,446)</u>
Other financing sources (uses):								
Sale of capital assets	3,096	-	-	30,000	-	-	-	-
Transfers in	136,808	-	-	-	-	-	750,000	-
Transfers out	-	(165,448)	(17,202)	(140,710)	(892,034)	(12,658)	-	-
Total other financing sources (uses)	<u>139,904</u>	<u>(165,448)</u>	<u>(17,202)</u>	<u>(110,710)</u>	<u>(892,034)</u>	<u>(12,658)</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(229,855)</u>	<u>5,503</u>	<u>(40,698)</u>	<u>258,766</u>	<u>(366,765)</u>	<u>(61,659)</u>	<u>720,280</u>	<u>(104,446)</u>
Cash and investments - ending	<u>\$ 2,592,500</u>	<u>\$ 1,771,514</u>	<u>\$ 21,431</u>	<u>\$ 2,194,837</u>	<u>\$ 1,297,477</u>	<u>\$ 34,662</u>	<u>\$ 2,372,807</u>	<u>\$ 790,784</u>

JENNINGS COUNTY 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)

	Textbook Rental	Self-Insurance	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Reading Recovery
Cash and investments - beginning	\$ 30,575	\$ 674,628	\$ 42,168	\$ 75,621	\$ 5,862	\$ 24,207	\$ 12,000	\$ -
Receipts:								
Local sources	175,262	7,000,496	-	-	-	-	-	-
Intermediate sources	-	-	-	-	413	-	-	-
State sources	228,090	-	-	-	-	29,920	12,000	7,280
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	505,000	100,000	-	-	-	-	-	-
Other	1,644	-	-	-	-	-	-	-
Total receipts	909,996	7,100,496	-	-	413	29,920	12,000	7,280
Disbursements:								
Current:								
Instruction	-	-	-	-	-	54,127	-	7,280
Support services	600,063	7,759,286	-	-	-	-	12,000	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	6,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	42,168	-	-	-	-	-
Interfund loans	375,000	-	-	-	-	-	-	-
Total disbursements	975,063	7,765,286	42,168	-	-	54,127	12,000	7,280
Excess (deficiency) of receipts over disbursements	(65,067)	(664,790)	(42,168)	-	413	(24,207)	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	35,822	-	442,230	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(12,000)	-
Total other financing sources (uses)	35,822	-	442,230	-	-	-	(12,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,245)	(664,790)	400,062	-	413	(24,207)	(12,000)	-
Cash and investments - ending	\$ 1,330	\$ 9,838	\$ 442,230	\$ 75,621	\$ 6,275	\$ -	\$ -	\$ -

JENNINGS COUNTY 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)

	Donation	Eco-15 Biomedical	High Ability Grant 2010-2011	High Ability Grant 2009-2010	High Ability Grant 2011-2012	Common School Loan Technology	Adult and Continuing Education	Medicaid Reimbursement - State
Cash and investments - beginning	\$ 9,226	\$ 108	\$ 3,321	\$ -	\$ -	\$ -	\$ -	\$ 36,318
Receipts:								
Local sources	3,150	10,000	-	-	-	-	124,808	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	550	-	44,728	-	-	11,422
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	20,000	435,000	-	-
Other	-	-	-	-	-	329,801	-	-
Total receipts	<u>3,150</u>	<u>10,000</u>	<u>550</u>	<u>-</u>	<u>64,728</u>	<u>764,801</u>	<u>124,808</u>	<u>11,422</u>
Disbursements:								
Current:								
Instruction	-	8,281	3,871	-	38,559	-	-	-
Support services	4,175	-	-	-	-	750,797	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	20,000	10,200	-	-
Total disbursements	<u>4,175</u>	<u>8,281</u>	<u>3,871</u>	<u>-</u>	<u>58,559</u>	<u>760,997</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,025)</u>	<u>1,719</u>	<u>(3,321)</u>	<u>-</u>	<u>6,169</u>	<u>3,804</u>	<u>124,808</u>	<u>11,422</u>
Other financing sources (uses):								
Sale of capital assets	1,025	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(124,808)	-
Total other financing sources (uses)	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,808)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>1,719</u>	<u>(3,321)</u>	<u>-</u>	<u>6,169</u>	<u>3,804</u>	<u>-</u>	<u>11,422</u>
Cash and investments - ending	<u>\$ 9,226</u>	<u>\$ 1,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,169</u>	<u>\$ 3,804</u>	<u>\$ -</u>	<u>\$ 47,740</u>

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

	Non-English Speaking Grant	School Technology Connectivity	Title I 2010-2011	Title I 2009-2010	Title I 2011-2012	Title I Distinguished Schools	Special Education Improvement Award 2012	PL 108-446 FY 2010 Carry-Over
Cash and investments - beginning	\$ -	\$ 3,617	\$ (77,507)	\$ -	\$ -	\$ -	\$ -	\$ 2,300
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	3,617	-	-	-	-	-	-
Federal sources	-	-	234,237	-	756,198	25,000	-	93,115
Interfund loans	-	-	-	-	255,000	-	35,000	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	3,617	234,237	-	1,011,198	25,000	35,000	93,115
Disbursements:								
Current:								
Instruction	-	-	-	-	708,133	-	-	56,385
Support services	-	5,478	7,083	-	313,034	-	33,789	9,030
Noninstructional services	-	-	41	-	10,518	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	50,000	-	75,000	-	-	30,000
Total disbursements	-	5,478	57,124	-	1,106,685	-	33,789	95,415
Excess (deficiency) of receipts over disbursements	-	(1,861)	177,113	-	(95,487)	25,000	1,211	(2,300)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	99,606	-	-	-
Transfers out	-	-	(99,606)	-	-	-	-	-
Total other financing sources (uses)	-	-	(99,606)	-	99,606	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,861)	77,507	-	4,119	25,000	1,211	(2,300)
Cash and investments - ending	\$ -	\$ 1,756	\$ -	\$ -	\$ 4,119	\$ 25,000	\$ 1,211	\$ -

JENNINGS COUNTY 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)

	PL 101-476 FY 2009 Carry-Over	FY 2011 Part B, IDEA	FY 2010 Part B, IDEA	FY 2012 Part B, IDEA	Federal Assistance Educational Preschool Handicapped	Preschool Federal FY 2010	Preschool Federal FY 2010 Carry-Over
Cash and investments - beginning	\$ -	\$ 1,526	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	448,105	-	691,853	23,420	31,035	2,049
Interfund loans	-	130,000	-	295,000	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	578,105	-	986,853	23,420	31,035	2,049
Disbursements:							
Current:							
Instruction	-	247,467	-	457,790	23,420	31,035	2,049
Support services	-	145,684	-	352,908	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	185,000	-	175,000	-	-	-
Total disbursements	-	578,151	-	985,698	23,420	31,035	2,049
Excess (deficiency) of receipts over disbursements	-	(46)	-	1,155	-	-	-
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	-	(46)	-	1,155	-	-	-
Cash and investments - ending	\$ -	\$ 1,480	\$ -	\$ 1,155	\$ -	\$ -	\$ -

JENNINGS COUNTY 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)

	Drug Free Schools 2009-2010	Nutritional Grant - State	Medicaid Reimbursement - Federal	Outward Bound	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III, Language Instruction
Cash and investments - beginning	\$ 25	\$ 3,901	\$ 17,310	\$ 1,161	\$ 2,599	\$ -	\$ 1,923
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	8,868
Federal sources	-	-	31,214	10,425	234,758	-	-
Interfund loans	-	-	-	1,000	85,000	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>31,214</u>	<u>11,425</u>	<u>319,758</u>	<u>-</u>	<u>8,868</u>
Disbursements:							
Current:							
Instruction	-	-	-	12,303	164,097	-	5,450
Support services	(175)	3,901	36,334	-	47,455	-	-
Noninstructional services	-	-	-	-	7,453	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	200	-	-	-	100,000	-	-
Total disbursements	<u>25</u>	<u>3,901</u>	<u>36,334</u>	<u>12,303</u>	<u>319,005</u>	<u>-</u>	<u>5,450</u>
Excess (deficiency) of receipts over disbursements	<u>(25)</u>	<u>(3,901)</u>	<u>(5,120)</u>	<u>(878)</u>	<u>753</u>	<u>-</u>	<u>3,418</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(25)</u>	<u>(3,901)</u>	<u>(5,120)</u>	<u>(878)</u>	<u>753</u>	<u>-</u>	<u>3,418</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,190</u>	<u>\$ 283</u>	<u>\$ 3,352</u>	<u>\$ -</u>	<u>\$ 5,341</u>

JENNINGS COUNTY 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 I - Stimulus 2009	Special Education - Part B - Stimulus	Special Education - Preschool - Stimulus	Qualified School Construction Bonds	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ 14	\$ 3,272	\$ -	\$ 1,548,062	\$ 819	\$ -	\$ 13,317,942
Receipts:							
Local sources	-	-	-	-	-	-	19,346,248
Intermediate sources	-	-	-	-	-	-	1,445
State sources	-	-	-	-	-	-	31,604,409
Federal sources	76,148	131,877	14,530	-	1,000,254	-	5,541,397
Interfund loans	-	-	-	-	320,000	-	3,646,400
Other	-	-	-	-	-	8,608,215	9,043,347
Total receipts	<u>76,148</u>	<u>131,877</u>	<u>14,530</u>	<u>-</u>	<u>1,320,254</u>	<u>8,608,215</u>	<u>69,183,246</u>
Disbursements:							
Current:							
Instruction	865	6,511	14,530	-	989,864	-	24,490,112
Support services	-	88,638	-	-	1,209	-	24,595,588
Noninstructional services	297	-	-	-	-	-	3,345,878
Facilities acquisition and construction	-	-	-	1,406,619	-	-	2,214,204
Debt services	-	-	-	-	-	-	3,570,342
Nonprogrammed charges	-	-	-	-	-	8,608,215	8,795,383
Interfund loans	75,000	40,000	-	-	330,000	-	3,646,400
Total disbursements	<u>76,162</u>	<u>135,149</u>	<u>14,530</u>	<u>1,406,619</u>	<u>1,321,073</u>	<u>8,608,215</u>	<u>70,657,907</u>
Excess (deficiency) of receipts over disbursements	<u>(14)</u>	<u>(3,272)</u>	<u>-</u>	<u>(1,406,619)</u>	<u>(819)</u>	<u>-</u>	<u>(1,474,661)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	34,121
Transfers in	-	-	-	-	-	-	1,464,466
Transfers out	-	-	-	-	-	-	(1,464,466)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,121</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(14)</u>	<u>(3,272)</u>	<u>-</u>	<u>(1,406,619)</u>	<u>(819)</u>	<u>-</u>	<u>(1,440,540)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,877,402</u>

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Jennings County School Building Corporation	Jennings County Middle School	\$ 778,000	07-05-01	07-05-13
Jennings County School Building Corporation	Sandcreek Elementary	899,500	07-15-08	01-15-19
Jennings County School Building Corporation	Scipio and Bush Creek Elementary/Middle School	626,000	01-05-06	01-05-27
Jennings County School Building Corporation	Jennings County High School Additions	<u>547,000</u>	07-15-09	01-15-20
Total of annual lease payments		<u>\$ 2,850,500</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
General obligation bonds:		
Pension bonds	\$ 2,360,000	\$ 386,869
QCSB Bonds	<u>1,835,228</u>	<u>90,797</u>
Totals	<u>\$ 4,195,228</u>	<u>\$ 477,666</u>

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2012

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 83,620
Buildings	51,104,932
Improvements other than buildings	7,861,321
Machinery and equipment	<u>10,622,478</u>
Total capital assets	<u><u>\$ 69,672,351</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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 JENNINGS COUNTY SCHOOL
CORPORATION, JENNINGS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Jennings County 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.

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, 2010 to June 30, 2012.

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

May 22, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	4015	\$ 496,800	\$ 531,491
National School Lunch Program	10.555	4015	<u>1,327,783</u>	<u>1,375,693</u>
Total for cluster			<u>1,824,583</u>	<u>1,907,184</u>
Team Nutrition Grants	10.574	4015	<u>6,075</u>	<u>-</u>
Total for federal grantor agency			<u>1,830,658</u>	<u>1,907,184</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				
FY 2010/2011	84.010	11-4015	670,262	234,237
FY 2011/2012		12-4015	-	756,198
Distinguished Schools		12-4015	<u>-</u>	<u>25,000</u>
Total for program			<u>670,262</u>	<u>1,015,435</u>
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act FY 2010/2011	84.389	11-4015	<u>230,544</u>	<u>76,148</u>
Total for cluster			<u>900,806</u>	<u>1,091,583</u>
Special Education Cluster				
Special Education - Grants to States				
FY 2009/2010	84.027	33310-072-SN01	251,762	-
FY 2009/2010		14210-072-PN01	120,597	93,115
FY 2010/2011		14211-072-PN01	644,542	448,105
FY 2011/2012		14212-072-PN01	<u>-</u>	<u>691,853</u>
Total for program			<u>1,016,901</u>	<u>1,233,073</u>
Special Education - Preschool Grants	84.173			
FY 2009/2010		45710-072-PN01	-	2,049
FY 2010/2011		45711-072-PN01	12,613	23,420
FY 2011/2012		45712-072-PN01	<u>-</u>	<u>31,035</u>
Total for program			<u>12,613</u>	<u>56,504</u>

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

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011 and 2012
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster (continued)				
ARRA - Special Education - Grants to States, Recovery Act FY 2009/2010	84.391	33310-072-SN01	569,422	131,877
ARRA - Special Education - Preschool Grants, Recovery Act FY 2009/2010	84.392	44410-072-SN01	2,961	14,530
Total for cluster			1,601,897	1,435,984
Safe and Drug-Free Schools and Communities - State Grants	84.186	10-4015	10,399	-
Education Technology State Grants Cluster				
Education Technology State Grants				
FY 2009/2010	84.318	C1094015	20,189	-
FY 2010/2011		C209T4015	42,751	-
Total for cluster			62,940	-
English Language Acquisition State Grants	84.365	4015	-	5,450
Improving Teacher Quality State Grants				
FY 2010/2011	84.367	09-4015	240,756	-
FY 2011/2012		10-4015	-	234,758
Total for program			240,756	234,758
Education Jobs Fund	84.410			
		11-4015	41,710	1,000,254
Total for federal grantor agency			2,858,508	3,768,029
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Purdue University				
Block Grants for Prevention and Treatment of Substance Abuse				
	93.959			
		SY 10-11	21,766	-
		SY 11-12	-	10,425
Total for federal grantor agency			21,766	10,425
Total federal awards expended			\$ 4,710,932	\$ 5,685,638

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

JENNINGS COUNTY 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 Jennings County 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	2011	2012
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 44,956	\$ 55,967
National School Lunch Program	10.555	120,155	116,653

JENNINGS COUNTY 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; 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
	Title I, Part A Cluster
	Special Education Cluster
84.367	Improving Teacher Quality State Grants
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$311,897

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JENNINGS COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 22, 2014, with Amber K. Fields, Treasurer; Steve Elmore, President of the School Board; Dr. Terry Sargent, Superintendent of Schools; and Myra Fischvogt, Deputy Treasurer. Our report disclosed no material items that warrant comment at this time.