

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

KOKOMO SCHOOL CORPORATION  
HOWARD COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
11/13/2015



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Geralynn Smalling	07-01-12 to 06-30-14
	Michelle Cronk	07-01-14 to 09-07-14
	Leslie Rittenhouse	09-08-14 to 06-27-15
	Michelle Cronk	06-28-15 to 06-30-16
Superintendent of Schools	Jeff Hauswald	07-01-12 to 06-30-16
President of the School Board	Marsha Bowling	01-01-12 to 12-31-12
	Joe Dunbar	01-01-13 to 12-31-13
	Crystal Sanburn	01-01-14 to 12-31-14
	Cristi E. Brewer-Allen	01-01-15 to 12-31-15



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE KOKOMO SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of the Kokomo School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***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, 2012 to June 30, 2014.

***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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*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 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.


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated September 1, 2015, 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.

  
Paul D. Joyce, CPA  
State Examiner

September 1, 2015



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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 KOKOMO SCHOOL CORPORATION, HOWARD 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 Kokomo School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated September 1, 2015, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.



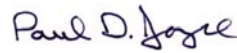
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***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

September 1, 2015

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#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

KOKOMO SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 5,919,734	\$ 44,832,790	\$ 44,527,837	\$ (18,109)	\$ 6,206,578	\$ 45,598,731	\$ 45,242,509	\$ (14,712)	\$ 6,548,088
Debt Service	3,142,820	5,430,375	6,243,202	66,653	2,396,646	6,061,797	6,902,665	9,459	1,565,237
Retirement/Severance Bond Debt Service	98,429	425,874	424,543	-	99,760	403,292	430,450	-	72,602
Capital Projects	2,794,250	8,183,683	8,065,330	2,071	2,914,674	7,727,364	7,496,101	1,105	3,147,042
School Transportation	1,469,964	2,684,963	2,539,315	(600,000)	1,015,612	2,507,910	2,493,605	-	1,029,917
School Bus Replacement	337,514	561,571	496,084	(150,000)	253,001	545,772	355,338	(325,000)	118,435
Rainy Day	1,150,000	-	455,366	750,000	1,444,634	10,500	986,151	325,000	793,983
Retirement/Severance Bond	349,630	844	15,090	-	335,384	821	10,071	-	326,134
Construction	595,869	322	596,191	-	-	-	-	-	-
General Obligation Bond 2012	1,869,761	822	1,662,165	-	208,418	146	208,564	-	-
General Obligation Bond 2013	-	-	2,735	24,000	21,265	19,801	2,310,573	2,376,000	106,493
Lease Financing 2013	-	-	-	-	-	8,041	1,402,733	5,500,000	4,105,308
School Lunch	790,317	2,981,439	3,032,515	-	739,241	2,956,384	2,942,672	-	752,953
Textbook Rental	153,546	512,482	493,613	85,296	257,711	487,285	290,579	38,948	493,365
Self-Insurance	4,855,712	10,252,540	9,385,685	-	5,722,567	10,112,543	8,792,308	-	7,042,802
Alternative Education 2007	1,390	-	1,390	-	-	-	-	-	-
Alternative Education 2008	1,661	-	1,661	-	-	-	-	-	-
Alternative Education 2011	23,472	-	23,472	-	-	-	-	-	-
Alternative Education 2012	89,056	-	86,965	-	2,091	-	2,091	-	-
Alternative Education 2013	-	79,118	6,164	26,373	99,327	-	85,976	-	13,351
Alternative Education 2014	-	-	-	-	-	64,616	-	21,539	86,155
Early Intervention 2012-2013	-	18,224	18,224	-	-	-	-	-	-
Donation Fund	5,406	7,163	2,362	-	10,207	6,173	3,909	(3,000)	9,471
Nurse Office Snacks	16,414	-	-	-	16,414	-	-	-	16,414
Kindergarten Round-Up T-Shirts	(175)	1,200	1,025	-	-	100	-	-	100
Life Skills Donations	1,653	500	-	-	2,153	-	-	-	2,153
Bon Air Elementary/Kroger Donation	3,266	-	-	-	3,266	-	81	-	3,185
McKinley-Walmart Grant	523	-	523	-	-	250	745	574	79
Student Leadership Summit	1,619	8,637	7,600	-	2,656	7,205	7,663	-	2,198
CMS-Health Fair Anthem Donation	11	-	-	-	11	-	-	-	11
College Success Coalition	-	5,000	1,433	-	3,567	-	164	-	3,403
Headstart Safety Harness Grant	4,185	-	4,185	-	-	-	-	-	-
SME Education Grant - KACC	6,520	6,800	6,687	-	6,633	7,685	10,808	-	3,510
Duke Energy Science/Technology Grant	-	50,000	13,750	-	36,250	-	34,624	-	1,626
Stitches from the Heart Down to the Soul	2,141	-	74	-	2,067	-	66	-	2,001
Instruction Support	-	-	-	-	-	170,622	139,702	-	30,920
CT Havens Trust	763	2	-	-	765	2	-	-	767
Scholarships and Awards	566	1	-	-	567	1	-	-	568
Miscellaneous Programs	1,460	-	-	-	1,460	-	-	-	1,460
Mini Grant Fund	2,681	17,347	4,000	-	16,028	1,250	7,994	3,000	12,284
Laura Bush Foundation	5,000	-	5,000	-	-	-	-	-	-
DWD Reimbursement Adult Ed Grant	-	6,555	7,545	-	(990)	1,290	300	-	-
Miscellaneous Mini Grant	-	-	-	-	-	3,500	1,500	-	2,000
Ing Unsung Heroes Awards-Blvd	-	-	-	-	-	2,000	2,000	-	-
Wallace Mini Grant	-	-	-	-	-	2,000	2,000	-	-
Tippecanoe Arts Grant/Wallace	-	-	-	-	-	4,480	1,129	-	3,351
Miscellaneous Mini Grant	-	-	-	-	-	500	51	-	449
Safe & Drug Free National Conference	922	-	-	-	922	-	-	-	922
Instruction Support #3100	-	-	-	-	-	14,175	9,282	-	4,893
High Ability Gifted & Talented	6,848	-	6,848	-	-	-	-	-	-
High Ability Gifted & Talented 2012-2013	-	49,400	39,606	-	9,794	-	9,794	-	-
Ha-Make A Difference 2013-2014	-	-	-	-	-	7,914	7,914	-	-
High Ability FY 2014	-	-	-	-	-	49,237	37,619	-	11,618
FFVP-Bon Air	(675)	675	-	-	-	-	-	-	-
FFVP-Elwood Haynes	10	-	10	-	-	-	-	-	-
FFVP-Pettit Park	(22)	22	-	-	-	-	-	-	-
Ford Technology Prep State Grant	(2,475)	15,000	12,525	-	-	-	-	-	-
Carl Perkins Technology Preparation	-	6,648	6,648	-	-	-	-	-	-
Special Education Technology Assistance	-	-	-	-	-	69,920	69,920	-	-

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

KOKOMO SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Adult Ed State Grant 2013-2014	-	-	-	-	-	146,047	154,523	-	(8,476)
Secured Schools Safety Grant	-	-	-	-	-	-	24,750	-	(24,750)
NESP Non English Speaking 11-12	1,461	-	1,461	-	-	-	-	-	-
NESP Non English Speaking 2012-2013	-	8,968	6,231	-	2,737	-	2,737	-	-
NESP 2013-2014	-	-	-	-	-	6,725	6,350	-	375
School Technology	549,569	471,444	531,228	-	489,785	125,979	241,042	-	374,722
Performance Based Awards	-	-	-	-	-	-	30,016	-	(30,016)
Criminal Background Checks	(80)	9,531	9,451	-	-	56	28	-	28
CTE Technology Grant	-	-	-	-	-	15,000	15,000	-	-
Title I Basic Grant 11-12	(94,185)	837,673	743,488	-	-	-	-	-	-
Title I Delinquent Grant 11-12	(10,346)	109,190	98,844	-	-	-	-	-	-
Title I Grant 2012-2013	-	1,174,075	1,306,541	-	(132,466)	644,712	512,246	-	-
Title I Delinquent Grant 2012-2013	-	122,764	128,446	-	(5,682)	54,705	49,023	-	-
Title I Basic Grant 2013-2014	-	-	-	-	-	1,478,547	1,604,902	-	(126,355)
Title I Delinquent Grant 2013-2014	-	-	-	-	-	81,825	89,722	-	(7,897)
Title I School Improvement 1003a Bon Air	-	34,878	34,889	-	(11)	14,498	14,487	-	-
Title I School Improvement 1003a Lafayette Park	-	30,927	30,936	-	(9)	16,088	16,079	-	-
Mckinney Vento Homeless Grant 2012-2013	-	46,520	46,520	-	-	-	-	-	-
Mckinney Vento Homeless Grant 2013-2014	-	-	-	-	-	6,791	41,500	-	(34,709)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(252,499)	1,051,382	826,528	-	(27,645)	33,833	6,188	-	-
Special Education Part B IDEA 2013	-	878,430	951,446	-	(73,016)	788,235	762,554	-	(47,335)
Special Education Part B IDEA 2013-2015	-	-	-	-	-	985,006	1,073,674	-	(88,668)
Special Education FY14 Part B Tech Asst	-	-	-	-	-	18,895	29,645	-	(10,750)
Special Education Section 619 Preschool 2012	-	36,775	36,775	-	-	-	-	-	-
Preschool 619 FY11 Carryover Grant	(46,652)	79,061	32,409	-	-	-	-	-	-
Special Education Section 619 Preschool 2013	-	62,524	64,797	-	(2,273)	36,143	33,870	-	-
Special Education Preschool FY14	-	-	-	-	-	45,073	47,799	-	(2,726)
Title II Adult Education 2011	(43,322)	74,252	30,930	-	-	-	-	-	-
Adult Education 2012-2013	-	147,780	172,448	-	(24,668)	81,536	56,868	-	-
Adult Education Basic Federal 2013-2014	-	-	-	-	-	43,646	46,478	-	(2,832)
Carl Perkins 2011-2012	(10,242)	34,798	24,556	-	-	-	-	-	-
Carl Perkins 2012-2013	-	170,805	176,556	-	(5,751)	65,559	59,808	-	-
Carl Perkins 2013-2014	-	-	-	-	-	176,113	182,461	-	(6,348)
DWD Technokats 2010-2011	-	2,750	-	-	2,750	250	3,000	-	-
21st Century Learning Center	-	-	-	-	-	146,837	192,145	-	(45,308)
21st Century Learning Center #6602	-	-	-	-	-	-	463	-	(463)
Title II A Improving Teacher Quality 2010-2012	-	51,236	51,236	-	-	-	-	-	-
Title II A Improving Teacher Quality 2011-2013	(17,062)	208,298	192,591	-	(1,355)	92,149	90,794	-	-
Title II Improving Teacher Quality 2012-2014	-	67,593	75,751	-	(8,158)	281,402	276,802	-	(3,558)
Title II Part A 2013-2015	-	-	-	-	-	82,382	92,231	-	(9,849)
Title III English Proficiency 2012	(30)	2,268	2,238	-	-	-	-	-	-
Title III LEP Grant	-	5,933	5,938	-	(5)	1,880	6,636	-	(4,761)
Title III LEP Grant 2013-2015	-	-	-	-	-	3,550	6,378	-	(2,828)
Headstart Wheel Assess Software	-	25,000	25,000	-	-	-	-	-	-
Head Start 2012	(116,431)	1,508,927	1,392,496	-	-	-	-	-	-
Head Start 2013	-	855,852	907,105	-	(51,253)	1,376,186	1,324,933	-	-
Head Start 2014	-	-	-	-	-	789,582	903,821	-	(114,239)
Fresh Fruit & Vegetable Grant 2012-2013	-	63,439	63,439	-	-	-	-	-	-
Fresh Fruit & Vegetable Grant July-Sept 2013	-	-	-	-	-	4,636	4,636	-	-
Fresh Fruit & Vegetable Grant October-May 2013-2014	-	-	-	-	-	49,337	49,729	-	(392)
Qualified School Construction Bond	266,557	-	27,555	-	239,002	-	239,002	-	-
Education Jobs	-	29,177	29,177	-	-	-	-	-	-
Clearing Accounts	169,039	9,808,029	9,810,559	-	166,509	9,944,807	9,932,716	-	178,600
Totals	\$ 24,095,543	\$ 94,150,276	\$ 96,034,933	\$ 186,284	\$ 22,397,170	\$ 94,491,317	\$ 98,524,687	\$ 7,932,913	\$ 26,296,713

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

KOKOMO SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 may include the following sources:

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

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

KOKOMO 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.

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

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

*E. Disbursements*

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

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

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

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

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

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

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:

KOKOMO SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.



KOKOMO 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 a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

KOKOMO 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  
One North Capitol, 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 the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation are received and recorded following the reporting of the expenditures to the proper state or federal agency.

KOKOMO SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The School Corporation has entered into a capital lease with Kokomo-Center Schools Building Corporation. 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 ending June 30, 2013 and 2014, totaled \$3,606,000 and \$3,607,000, respectively.

**Note 9. *Other Postemployment Benefit***

The School Corporation provides to eligible retirees and their spouses the following benefits: eligibility to remain on the school corporation's medical group insurance plan after retirement until reaching the age of 65 with the full premium payment amount paid by the retiree to the school corporation. 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.

**Note 10. *Corporation Name Change***

The Board of Trustees resolved on June 10, 2013, that effective the 2013-2014 school year, the name of the Corporation was changed from Kokomo-Center Township Consolidated School Corporation to Kokomo School Corporation.

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#### OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

KOKOMO SCHOOL CORPORATION  
 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	\$ 5,919,734	\$ 3,142,820	\$ 98,429	\$ 2,794,250	\$ 1,469,964	\$ 337,514	\$ 1,150,000	\$ 349,630	\$ 595,869
Receipts:									
Local sources	1,250,535	5,430,375	425,874	7,074,008	2,674,252	561,571	-	844	322
Intermediate sources	20,367	-	-	-	-	-	-	-	-
State sources	43,560,218	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	1,109,675	-	-	-	-	-
Other	1,670	-	-	-	10,711	-	-	-	-
Total receipts	44,832,790	5,430,375	425,874	8,183,683	2,684,963	561,571	-	844	322
Disbursements:									
Current:									
Instruction	28,074,354	-	-	-	-	-	-	-	-
Support services	15,749,663	-	-	4,425,967	2,134,315	496,084	-	15,090	-
Noninstructional services	433,768	-	-	-	-	-	-	-	-
Facilities acquisition and construction	270,052	-	-	3,639,363	-	-	455,366	-	596,191
Debt services	-	6,243,202	424,543	-	405,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	44,527,837	6,243,202	424,543	8,065,330	2,539,315	496,084	455,366	15,090	596,191
Excess (deficiency) of receipts over disbursements	304,953	(812,827)	1,331	118,353	145,648	65,487	(455,366)	(14,246)	(595,869)
Other financing sources (uses):									
Proceeds of long-term debt	-	151,949	-	-	-	-	-	-	-
Sale of capital assets	8,264	-	-	2,071	-	-	-	-	-
Transfers in	-	-	-	-	-	-	750,000	-	-
Transfers out	(26,373)	(85,296)	-	-	(600,000)	(150,000)	-	-	-
Total other financing sources (uses)	(18,109)	66,653	-	2,071	(600,000)	(150,000)	750,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	286,844	(746,174)	1,331	120,424	(454,352)	(84,513)	294,634	(14,246)	(595,869)
Cash and investments - ending	\$ 6,206,578	\$ 2,396,646	\$ 99,760	\$ 2,914,674	\$ 1,015,612	\$ 253,001	\$ 1,444,634	\$ 335,384	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	General Obligation Bond 2012	General Obligation Bond 2013	Lease Financing 2013	School Lunch	Textbook Rental	Self- Insurance	Alternative Education 2007	Alternative Education 2008
Cash and investments - beginning	\$ 1,869,761	\$ -	\$ -	\$ 790,317	\$ 153,546	\$ 4,855,712	\$ 1,390	\$ 1,661
Receipts:								
Local sources	822	-	-	702,557	182,556	10,252,540	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	12,929	329,926	-	-	-
Federal sources	-	-	-	2,265,953	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	822	-	-	2,981,439	512,482	10,252,540	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	1,390	1,661
Support services	1,202,030	-	-	996	493,613	33,564	-	-
Noninstructional services	-	-	-	2,931,519	-	-	-	-
Facilities acquisition and construction	460,135	2,735	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	100,000	-	9,352,121	-	-
Total disbursements	1,662,165	2,735	-	3,032,515	493,613	9,385,685	1,390	1,661
Excess (deficiency) of receipts over disbursements	(1,661,343)	(2,735)	-	(51,076)	18,869	866,855	(1,390)	(1,661)
Other financing sources (uses):								
Proceeds of long-term debt	-	24,000	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	85,296	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	24,000	-	-	85,296	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,661,343)	21,265	-	(51,076)	104,165	866,855	(1,390)	(1,661)
Cash and investments - ending	\$ 208,418	\$ 21,265	\$ -	\$ 739,241	\$ 257,711	\$ 5,722,567	\$ -	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Alternative Education 2011	Alternative Education 2012	Alternative Education 2013	Alternative Education 2014	Early Intervention 2012-2013	Donation Fund	Nurse Office Snacks	Kindergarten Round-Up T-Shirts
Cash and investments - beginning	\$ 23,472	\$ 89,056	\$ -	\$ -	\$ -	\$ 5,406	\$ 16,414	\$ (175)
Receipts:								
Local sources	-	-	-	-	-	7,163	-	1,200
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	79,118	-	18,224	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	79,118	-	18,224	7,163	-	1,200
Disbursements:								
Current:								
Instruction	23,472	86,965	6,164	-	18,224	193	-	1,025
Support services	-	-	-	-	-	1,674	-	-
Noninstructional services	-	-	-	-	-	495	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	23,472	86,965	6,164	-	18,224	2,362	-	1,025
Excess (deficiency) of receipts over disbursements	(23,472)	(86,965)	72,954	-	-	4,801	-	175
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	26,373	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	26,373	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,472)	(86,965)	99,327	-	-	4,801	-	175
Cash and investments - ending	\$ -	\$ 2,091	\$ 99,327	\$ -	\$ -	\$ 10,207	\$ 16,414	\$ -



KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Life Skills Donations	Bon Air Elementary/ Kroger Donation	McKinley- Walmart Grant	Student Leadership Summit	CMS-Health Fair Anthem Donation	College Success Coalition	Headstart Safety Harness Grant	SME Education Grant - KACC
Cash and investments - beginning	\$ 1,653	\$ 3,266	\$ 523	\$ 1,619	\$ 11	\$ -	\$ 4,185	\$ 6,520
Receipts:								
Local sources	500	-	-	8,637	-	5,000	-	6,800
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	500	-	-	8,637	-	5,000	-	6,800
Disbursements:								
Current:								
Instruction	-	-	523	-	-	-	-	-
Support services	-	-	-	-	-	-	4,185	6,687
Noninstructional services	-	-	-	7,600	-	1,433	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	523	7,600	-	1,433	4,185	6,687
Excess (deficiency) of receipts over disbursements	500	-	(523)	1,037	-	3,567	(4,185)	113
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	500	-	(523)	1,037	-	3,567	(4,185)	113
Cash and investments - ending	\$ 2,153	\$ 3,266	\$ -	\$ 2,656	\$ 11	\$ 3,567	\$ -	\$ 6,633

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Duke Energy Science/ Technology Grant	Stitches from the Heart Down to the Soul	Instruction Support	CT Havens Trust	Scholarships and Awards	Miscellaneous Programs	Mini Grant Fund	Laura Bush Foundation
Cash and investments - beginning	\$ -	\$ 2,141	\$ -	\$ 763	\$ 566	\$ 1,460	\$ 2,681	\$ 5,000
Receipts:								
Local sources	-	-	-	2	1	-	17,347	-
Intermediate sources	50,000	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	50,000	-	-	2	1	-	17,347	-
Disbursements:								
Current:								
Instruction	13,750	-	-	-	-	-	4,000	-
Support services	-	-	-	-	-	-	-	5,000
Noninstructional services	-	74	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	13,750	74	-	-	-	-	4,000	5,000
Excess (deficiency) of receipts over disbursements	36,250	(74)	-	2	1	-	13,347	(5,000)
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	36,250	(74)	-	2	1	-	13,347	(5,000)
Cash and investments - ending	\$ 36,250	\$ 2,067	\$ -	\$ 765	\$ 567	\$ 1,460	\$ 16,028	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	DWD Reimbursement Adult Ed Grant	Miscellaneous Mini Grant	Ing Unsung Heroes Awards - Blvd	Wallace Mini Grant	Tippecanoe Arts Grant/ Wallace	Miscellaneous Mini Grant	Safe & Drug Free National Conference	Instruction Support #3100
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	6,555	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	6,555	-	-	-	-	-	-	-
Disbursements:								
Current:								
Instruction	7,545	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	7,545	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(990)	-	-	-	-	-	-	-
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	(990)	-	-	-	-	-	-	-
Cash and investments - ending	\$ (990)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	High Ability Gifted & Talented	High Ability Gifted & Talented 2012-2013	Ha- Make A Difference 2013-2014	High Ability FY 2014	FFVP - Bon Air	FFVP - Elwood Haynes	FFVP - Pettit Park	Ford Technology Prep State Grant
Cash and investments - beginning	\$ 6,848	\$ -	\$ -	\$ -	\$ (675)	\$ 10	\$ (22)	\$ (2,475)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	49,400	-	-	-	-	-	15,000
Federal sources	-	-	-	-	675	-	22	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	49,400	-	-	675	-	22	15,000
Disbursements:								
Current:								
Instruction	6,848	39,606	-	-	-	-	-	-
Support services	-	-	-	-	-	10	-	12,525
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,848	39,606	-	-	-	10	-	12,525
Excess (deficiency) of receipts over disbursements	(6,848)	9,794	-	-	675	(10)	22	2,475
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	(6,848)	9,794	-	-	675	(10)	22	2,475
Cash and investments - ending	\$ -	\$ 9,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Carl Perkins Technology Preparation	Special Education Technology Assistance	Adult Ed State Grant 2013-2014	Secured Schools Safety Grant	NESP Non English Speaking 11-12	NESP Non English Speaking 2012-2013	NESP 2013-2014	School Technology
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,461	\$ -	\$ -	\$ 549,569
Receipts:								
Local sources	-	-	-	-	-	-	-	468,171
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	8,968	-	3,273
Federal sources	6,648	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	6,648	-	-	-	-	8,968	-	471,444
Disbursements:								
Current:								
Instruction	6,648	-	-	-	1,192	6,231	-	-
Support services	-	-	-	-	269	-	-	531,228
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,648	-	-	-	1,461	6,231	-	531,228
Excess (deficiency) of receipts over disbursements	-	-	-	-	(1,461)	2,737	-	(59,784)
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	-	-	-	-	(1,461)	2,737	-	(59,784)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,737	\$ -	\$ 489,785

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Performance Based Awards	Criminal Background Checks	CTE Technology Grant	Title I Basic Grant 11-12	Title I Delinquent Grant 11-12	Title I Grant 2012-2013	Title I Delinquent Grant 2012-2013	Title I Basic Grant 2013-2014
Cash and investments - beginning	\$ -	\$ (80)	\$ -	\$ (94,185)	\$ (10,346)	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	9,531	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	837,673	109,190	1,174,075	122,764	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	9,531	-	837,673	109,190	1,174,075	122,764	-
Disbursements:								
Current:								
Instruction	-	-	-	554,236	96,747	829,730	118,437	-
Support services	-	9,451	-	186,364	1,872	456,231	10,009	-
Noninstructional services	-	-	-	384	-	20,580	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,504	225	-	-	-
Total disbursements	-	9,451	-	743,488	98,844	1,306,541	128,446	-
Excess (deficiency) of receipts over disbursements	-	80	-	94,185	10,346	(132,466)	(5,682)	-
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	-	80	-	94,185	10,346	(132,466)	(5,682)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (132,466)	\$ (5,682)	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Title I Delinquent Grant 2013-2014	Title I School Improvement 1003a Bon Air	Title I School Improvement 1003a Lafayette Park	McKinney Vento Homeless Grant 2012-2013	McKinney Vento Homeless Grant 2013-2014	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Part B IDEA 2013	Special Education Part B IDEA 2013-2015
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (252,499)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	34,878	30,927	46,520	-	1,051,382	878,430	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	34,878	30,927	46,520	-	1,051,382	878,430	-
Disbursements:								
Current:								
Instruction	-	21,477	20,566	-	-	772,736	951,446	-
Support services	-	13,412	10,370	46,520	-	53,792	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	34,889	30,936	46,520	-	826,528	951,446	-
Excess (deficiency) of receipts over disbursements	-	(11)	(9)	-	-	224,854	(73,016)	-
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	-	(11)	(9)	-	-	224,854	(73,016)	-
Cash and investments - ending	\$ -	\$ (11)	\$ (9)	\$ -	\$ -	\$ (27,645)	\$ (73,016)	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Special Education FY14 Part B Tech Asst	Special Education Section 619 Preschool 2012	Preschool 619 FY11 Carryover Grant	Special Education Section 619 Preschool 2013	Special Education Preschool FY14	Title II Adult Education 2011	Adult Education 2012-2013	Adult Education Basic Federal 2013-2014
Cash and investments - beginning	\$ -	\$ -	\$ (46,652)	\$ -	\$ -	\$ (43,322)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	53,707	50,626	-
Federal sources	-	36,775	79,061	62,524	-	20,545	97,154	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	36,775	79,061	62,524	-	74,252	147,780	-
Disbursements:								
Current:								
Instruction	-	10,614	27,096	40,049	-	17,416	172,448	-
Support services	-	26,161	5,313	24,748	-	13,514	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	36,775	32,409	64,797	-	30,930	172,448	-
Excess (deficiency) of receipts over disbursements	-	-	46,652	(2,273)	-	43,322	(24,668)	-
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	-	-	46,652	(2,273)	-	43,322	(24,668)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (2,273)	\$ -	\$ -	\$ (24,668)	\$ -



KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Carl Perkins 2011-2012	Carl Perkins 2012-2013	Carl Perkins 2013-2014	DWD Technokats 2010-2011	21st Century Learning Center	21st Century Learning Center #6602	Title II A Improving Teacher Quality 2010-2012	Title II A Improving Teacher Quality 2011-2013
Cash and investments - beginning	\$ (10,242)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,062)
Receipts:								
Local sources	-	-	-	-	-	-	2,163	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	2,750	-	-	-	-
Federal sources	34,798	170,805	-	-	-	-	49,073	208,298
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	34,798	170,805	-	2,750	-	-	51,236	208,298
Disbursements:								
Current:								
Instruction	24,556	176,556	-	-	-	-	-	142,299
Support services	-	-	-	-	-	-	49,606	50,292
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,630	-
Total disbursements	24,556	176,556	-	-	-	-	51,236	192,591
Excess (deficiency) of receipts over disbursements	10,242	(5,751)	-	2,750	-	-	-	15,707
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	10,242	(5,751)	-	2,750	-	-	-	15,707
Cash and investments - ending	\$ -	\$ (5,751)	\$ -	\$ 2,750	\$ -	\$ -	\$ -	\$ (1,355)

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Title II Improving Teacher Quality 2012-2014	Title II Part A 2013-2015	Title III English Proficiency 2012	Title III LEP Grant	Title III LEP Grant 2013-2015	Headstart Wheel Assess Software	Head Start 2012	Head Start 2013
Cash and investments - beginning	\$ -	\$ -	\$ (30)	\$ -	\$ -	\$ -	\$ (116,431)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	415
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	25,000	-	-
Federal sources	67,593	-	2,268	5,933	-	-	1,508,927	855,437
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	67,593	-	2,268	5,933	-	25,000	1,508,927	855,852
Disbursements:								
Current:								
Instruction	73,876	-	1,924	5,863	-	25,000	855,189	626,489
Support services	1,875	-	301	75	-	-	474,087	273,945
Noninstructional services	-	-	-	-	-	-	7,218	6,671
Facilities acquisition and construction	-	-	-	-	-	-	18,092	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	13	-	-	-	37,910	-
Total disbursements	75,751	-	2,238	5,938	-	25,000	1,392,496	907,105
Excess (deficiency) of receipts over disbursements	(8,158)	-	30	(5)	-	-	116,431	(51,253)
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	(8,158)	-	30	(5)	-	-	116,431	(51,253)
Cash and investments - ending	<u>\$ (8,158)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,253)</u>

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2013  
(Continued)

	Head Start 2014	Fresh Fruit & Vegetable Grant 2012-2013	Fresh Fruit & Vegetable Grant July-Sept 2013	Fresh Fruit & Vegetable Grant October-May 2013-2014	Qualified School Construction Bond	Education Jobs	Clearing Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 266,557	\$ -	\$ 169,039	\$ 24,095,543
Receipts:								
Local sources	-	-	-	-	-	-	-	29,083,186
Intermediate sources	-	-	-	-	-	-	-	70,367
State sources	-	-	-	-	-	-	-	44,215,694
Federal sources	-	63,439	-	-	-	29,177	-	9,850,944
Temporary loans	-	-	-	-	-	-	-	1,109,675
Other	-	-	-	-	-	-	9,808,029	9,820,410
Total receipts	-	63,439	-	-	-	29,177	9,808,029	94,150,276
Disbursements:								
Current:								
Instruction	-	-	-	-	-	29,177	-	33,893,718
Support services	-	-	-	-	-	-	-	26,820,838
Noninstructional services	-	63,439	-	-	-	-	-	3,473,181
Facilities acquisition and construction	-	-	-	-	27,555	-	-	5,469,489
Debt services	-	-	-	-	-	-	-	7,072,745
Nonprogrammed charges	-	-	-	-	-	-	9,810,559	19,304,962
Total disbursements	-	63,439	-	-	27,555	29,177	9,810,559	96,034,933
Excess (deficiency) of receipts over disbursements	-	-	-	-	(27,555)	-	(2,530)	(1,884,657)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	175,949
Sale of capital assets	-	-	-	-	-	-	-	10,335
Transfers in	-	-	-	-	-	-	-	861,669
Transfers out	-	-	-	-	-	-	-	(861,669)
Total other financing sources (uses)	-	-	-	-	-	-	-	186,284
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(27,555)	-	(2,530)	(1,698,373)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 239,002	\$ -	\$ 166,509	\$ 22,397,170

KOKOMO SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	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	\$ 6,206,578	\$ 2,396,646	\$ 99,760	\$ 2,914,674	\$ 1,015,612	\$ 253,001	\$ 1,444,634	\$ 335,384	\$ -
Receipts:									
Local sources	1,817,293	6,061,797	403,292	6,754,934	2,504,062	545,772	10,500	821	-
Intermediate sources	367	-	-	-	-	-	-	-	-
State sources	43,775,292	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	971,000	-	-	-	-	-
Other	5,779	-	-	1,430	3,848	-	-	-	-
Total receipts	45,598,731	6,061,797	403,292	7,727,364	2,507,910	545,772	10,500	821	-
Disbursements:									
Current:									
Instruction	27,971,514	-	-	-	-	-	-	-	-
Support services	15,936,308	-	-	4,513,569	2,493,605	355,338	-	10,071	-
Noninstructional services	388,571	-	-	-	-	-	-	-	-
Facilities acquisition and construction	940,116	-	-	2,297,532	-	-	986,151	-	-
Debt services	-	6,902,665	430,450	685,000	-	-	-	-	-
Nonprogrammed charges	6,000	-	-	-	-	-	-	-	-
Total disbursements	45,242,509	6,902,665	430,450	7,496,101	2,493,605	355,338	986,151	10,071	-
Excess (deficiency) of receipts over disbursements	356,222	(840,868)	(27,158)	231,263	14,305	190,434	(975,651)	(9,250)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	48,407	-	-	-	-	-	-	-
Sale of capital assets	7,401	-	-	1,105	-	-	-	-	-
Transfers in	-	-	-	-	-	-	325,000	-	-
Transfers out	(22,113)	(38,948)	-	-	-	(325,000)	-	-	-
Total other financing sources (uses)	(14,712)	9,459	-	1,105	-	(325,000)	325,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	341,510	(831,409)	(27,158)	232,368	14,305	(134,566)	(650,651)	(9,250)	-
Cash and investments - ending	\$ 6,548,088	\$ 1,565,237	\$ 72,602	\$ 3,147,042	\$ 1,029,917	\$ 118,435	\$ 793,983	\$ 326,134	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	General Obligation Bond 2012	General Obligation Bond 2013	Lease Financing 2013	School Lunch	Textbook Rental	Self- Insurance	Alternative Education 2007	Alternative Education 2008
Cash and investments - beginning	\$ 208,418	\$ 21,265	\$ -	\$ 739,241	\$ 257,711	\$ 5,722,567	\$ -	\$ -
Receipts:								
Local sources	146	19,801	8,041	733,761	161,009	10,112,543	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	10,892	326,276	-	-	-
Federal sources	-	-	-	2,211,731	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	146	19,801	8,041	2,956,384	487,285	10,112,543	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	15,116	-	-	1,140	290,579	20,193	-	-
Noninstructional services	-	-	-	2,841,532	-	-	-	-
Facilities acquisition and construction	193,448	2,310,573	1,402,733	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	100,000	-	8,772,115	-	-
Total disbursements	208,564	2,310,573	1,402,733	2,942,672	290,579	8,792,308	-	-
Excess (deficiency) of receipts over disbursements	(208,418)	(2,290,772)	(1,394,692)	13,712	196,706	1,320,235	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	2,376,000	5,500,000	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	38,948	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	2,376,000	5,500,000	-	38,948	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(208,418)	85,228	4,105,308	13,712	235,654	1,320,235	-	-
Cash and investments - ending	\$ -	\$ 106,493	\$ 4,105,308	\$ 752,953	\$ 493,365	\$ 7,042,802	\$ -	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Alternative Education 2011	Alternative Education 2012	Alternative Education 2013	Alternative Education 2014	Early Intervention 2012-2013	Donation Fund	Nurse Office Snacks	Kindergarten Round-Up T-Shirts
Cash and investments - beginning	\$ -	\$ 2,091	\$ 99,327	\$ -	\$ -	\$ 10,207	\$ 16,414	\$ -
Receipts:								
Local sources	-	-	-	-	-	6,173	-	100
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	64,616	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	64,616	-	6,173	-	100
Disbursements:								
Current:								
Instruction	-	2,091	85,976	-	-	925	-	-
Support services	-	-	-	-	-	2,117	-	-
Noninstructional services	-	-	-	-	-	867	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	2,091	85,976	-	-	3,909	-	-
Excess (deficiency) of receipts over disbursements	-	(2,091)	(85,976)	64,616	-	2,264	-	100
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	21,539	-	-	-	-
Transfers out	-	-	-	-	-	(3,000)	-	-
Total other financing sources (uses)	-	-	-	21,539	-	(3,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,091)	(85,976)	86,155	-	(736)	-	100
Cash and investments - ending	\$ -	\$ -	\$ 13,351	\$ 86,155	\$ -	\$ 9,471	\$ 16,414	\$ 100

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Life Skills Donations	Bon Air Elementary/ Kroger Donation	McKinley- Walmart Grant	Student Leadership Summit	CMS-Health Fair Anthem Donation	College Success Coalition	Headstart Safety Harness Grant	SME Education Grant - KACC
Cash and investments - beginning	\$ 2,153	\$ 3,266	\$ -	\$ 2,656	\$ 11	\$ 3,567	\$ -	\$ 6,633
Receipts:								
Local sources	-	-	250	7,205	-	-	-	7,685
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	250	7,205	-	-	-	7,685
Disbursements:								
Current:								
Instruction	-	81	745	-	-	-	-	-
Support services	-	-	-	-	-	-	-	10,808
Noninstructional services	-	-	-	7,663	-	164	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	81	745	7,663	-	164	-	10,808
Excess (deficiency) of receipts over disbursements	-	(81)	(495)	(458)	-	(164)	-	(3,123)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	574	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	574	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(81)	79	(458)	-	(164)	-	(3,123)
Cash and investments - ending	\$ 2,153	\$ 3,185	\$ 79	\$ 2,198	\$ 11	\$ 3,403	\$ -	\$ 3,510

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Duke Energy Science/ Technology Grant	Stitches from the Heart Down to the Soul	Instruction Support	CT Havens Trust	Scholarships and Awards	Miscellaneous Programs	Mini Grant Fund	Laura Bush Foundation
Cash and investments - beginning	\$ 36,250	\$ 2,067	\$ -	\$ 765	\$ 567	\$ 1,460	\$ 16,028	\$ -
Receipts:								
Local sources	-	-	150,622	2	1	-	1,250	-
Intermediate sources	-	-	20,000	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	170,622	2	1	-	1,250	-
Disbursements:								
Current:								
Instruction	34,624	-	139,702	-	-	-	7,966	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	66	-	-	-	-	28	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	34,624	66	139,702	-	-	-	7,994	-
Excess (deficiency) of receipts over disbursements	(34,624)	(66)	30,920	2	1	-	(6,744)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	3,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	3,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,624)	(66)	30,920	2	1	-	(3,744)	-
Cash and investments - ending	\$ 1,626	\$ 2,001	\$ 30,920	\$ 767	\$ 568	\$ 1,460	\$ 12,284	\$ -



KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	DWD Reimbursement Adult Ed Grant	Miscellaneous Mini Grant	Ing Unsung Heroes Awards - Blvd	Wallace Mini Grant	Tippecanoe Arts Grant/ Wallace	Miscellaneous Mini Grant	Safe & Drug Free National Conference	Instruction Support #3100
Cash and investments - beginning	\$ (990)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922	\$ -
Receipts:								
Local sources	-	-	-	-	1,500	500	-	14,175
Intermediate sources	-	2,500	2,000	2,000	2,980	-	-	-
State sources	1,290	-	-	-	-	-	-	-
Federal sources	-	1,000	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,290	3,500	2,000	2,000	4,480	500	-	14,175
Disbursements:								
Current:								
Instruction	300	1,500	2,000	2,000	1,129	51	-	9,282
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	300	1,500	2,000	2,000	1,129	51	-	9,282
Excess (deficiency) of receipts over disbursements	990	2,000	-	-	3,351	449	-	4,893
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	990	2,000	-	-	3,351	449	-	4,893
Cash and investments - ending	\$ -	\$ 2,000	\$ -	\$ -	\$ 3,351	\$ 449	\$ 922	\$ 4,893

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	High Ability Gifted & Talented	High Ability Gifted & Talented 2012-2013	Ha- Make A Difference 2013-2014	High Ability FY 2014	FFVP - Bon Air	FFVP - Elwood Haynes	FFVP - Pettit Park	Ford Technology Prep State Grant
Cash and investments - beginning	\$ -	\$ 9,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	7,914	49,237	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	7,914	49,237	-	-	-	-
Disbursements:								
Current:								
Instruction	-	9,794	7,914	37,619	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	9,794	7,914	37,619	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(9,794)	-	11,618	-	-	-	-
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	-	(9,794)	-	11,618	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 11,618	\$ -	\$ -	\$ -	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Carl Perkins Technology Preparation	Special Education Technology Assistance	Adult Ed State Grant 2013-2014	Secured Schools Safety Grant	NESP Non English Speaking 11-12	NESP Non English Speaking 2012-2013	NESP 2013-2014	School Technology
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,737	\$ -	\$ 489,785
Receipts:								
Local sources	-	-	-	-	-	-	-	122,710
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	146,047	-	-	-	6,725	3,269
Federal sources	-	69,920	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	69,920	146,047	-	-	-	6,725	125,979
Disbursements:								
Current:								
Instruction	-	69,920	154,523	-	-	2,737	6,350	-
Support services	-	-	-	24,750	-	-	-	241,042
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	69,920	154,523	24,750	-	2,737	6,350	241,042
Excess (deficiency) of receipts over disbursements	-	-	(8,476)	(24,750)	-	(2,737)	375	(115,063)
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	-	-	(8,476)	(24,750)	-	(2,737)	375	(115,063)
Cash and investments - ending	\$ -	\$ -	\$ (8,476)	\$ (24,750)	\$ -	\$ -	\$ 375	\$ 374,722

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Performance Based Awards	Criminal Background Checks	CTE Technology Grant	Title I Basic Grant 11-12	Title I Delinquent Grant 11-12	Title I Grant 2012-2013	Title I Delinquent Grant 2012-2013	Title I Basic Grant 2013-2014
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (132,466)	\$ (5,682)	\$ -
Receipts:								
Local sources	-	56	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	15,000	-	-	644,712	54,705	1,478,547
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	56	15,000	-	-	644,712	54,705	1,478,547
Disbursements:								
Current:								
Instruction	30,016	-	15,000	-	-	356,708	47,235	948,761
Support services	-	28	-	-	-	110,951	1,575	643,859
Noninstructional services	-	-	-	-	-	1,089	-	12,282
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	43,498	213	-
Total disbursements	30,016	28	15,000	-	-	512,246	49,023	1,604,902
Excess (deficiency) of receipts over disbursements	(30,016)	28	-	-	-	132,466	5,682	(126,355)
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	(30,016)	28	-	-	-	132,466	5,682	(126,355)
Cash and investments - ending	<u>\$ (30,016)</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (126,355)</u>

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Title I Delinquent Grant 2013-2014	Title I School Improvement 1003a Bon Air	Title I School Improvement 1003a Lafayette Park	McKinney Vento Homeless Grant 2012-2013	McKinney Vento Homeless Grant 2013-2014	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Part B IDEA 2013	Special Education Part B IDEA 2013-2015
Cash and investments - beginning	\$ -	\$ (11)	\$ (9)	\$ -	\$ -	\$ (27,645)	\$ (73,016)	\$ -
Receipts:								
Local sources	-	-	-	-	-	14,283	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	81,825	14,498	16,088	-	6,791	19,550	788,235	985,006
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	81,825	14,498	16,088	-	6,791	33,833	788,235	985,006
Disbursements:								
Current:								
Instruction	89,722	14,344	14,332	-	-	6,188	762,554	1,073,674
Support services	-	143	1,747	-	41,500	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	89,722	14,487	16,079	-	41,500	6,188	762,554	1,073,674
Excess (deficiency) of receipts over disbursements	(7,897)	11	9	-	(34,709)	27,645	25,681	(88,668)
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	(7,897)	11	9	-	(34,709)	27,645	25,681	(88,668)
Cash and investments - ending	<u>\$ (7,897)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,709)</u>	<u>\$ -</u>	<u>\$ (47,335)</u>	<u>\$ (88,668)</u>

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Special Education FY14 Part B Tech Asst	Special Education Section 619 Preschool 2012	Preschool 619 FY11 Carryover Grant	Special Education Section 619 Preschool 2013	Special Education Preschool FY14	Title II Adult Education 2011	Adult Education 2012-2013	Adult Education Basic Federal 2013-2014
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (2,273)	\$ -	\$ -	\$ (24,668)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	72,262	-
Federal sources	18,895	-	-	36,143	45,073	-	9,274	43,646
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	18,895	-	-	36,143	45,073	-	81,536	43,646
Disbursements:								
Current:								
Instruction	29,645	-	-	-	21,535	-	56,868	46,478
Support services	-	-	-	33,870	26,264	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	29,645	-	-	33,870	47,799	-	56,868	46,478
Excess (deficiency) of receipts over disbursements	(10,750)	-	-	2,273	(2,726)	-	24,668	(2,832)
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	(10,750)	-	-	2,273	(2,726)	-	24,668	(2,832)
Cash and investments - ending	\$ (10,750)	\$ -	\$ -	\$ -	\$ (2,726)	\$ -	\$ -	\$ (2,832)

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Carl Perkins 2011-2012	Carl Perkins 2012-2013	Carl Perkins 2013-2014	DWD Technokats 2010-2011	21st Century Learning Center	21st Century Learning Center #6602	Title II A Improving Teacher Quality 2010-2012	Title II A Improving Teacher Quality 2011-2013
Cash and investments - beginning	\$ -	\$ (5,751)	\$ -	\$ 2,750	\$ -	\$ -	\$ -	\$ (1,355)
Receipts:								
Local sources	-	-	500	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	250	-	-	-	-
Federal sources	-	65,559	175,613	-	146,837	-	-	92,149
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	65,559	176,113	250	146,837	-	-	92,149
Disbursements:								
Current:								
Instruction	-	59,808	182,461	3,000	186,509	463	-	-
Support services	-	-	-	-	5,636	-	-	76,360
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	14,434
Total disbursements	-	59,808	182,461	3,000	192,145	463	-	90,794
Excess (deficiency) of receipts over disbursements	-	5,751	(6,348)	(2,750)	(45,308)	(463)	-	1,355
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	-	5,751	(6,348)	(2,750)	(45,308)	(463)	-	1,355
Cash and investments - ending	\$ -	\$ -	\$ (6,348)	\$ -	\$ (45,308)	\$ (463)	\$ -	\$ -

KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Title II Improving Teacher Quality 2012-2014	Title II Part A 2013-2015	Title III English Proficiency 2012	Title III LEP Grant	Title III LEP Grant 2013-2015	Headstart Wheel Assess Software	Head Start 2012	Head Start 2013
Cash and investments - beginning	\$ (8,158)	\$ -	\$ -	\$ (5)	\$ -	\$ -	\$ -	\$ (51,253)
Receipts:								
Local sources	-	985	-	-	-	-	-	172
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	281,402	81,397	-	1,880	3,550	-	-	1,376,014
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>281,402</u>	<u>82,382</u>	<u>-</u>	<u>1,880</u>	<u>3,550</u>	<u>-</u>	<u>-</u>	<u>1,376,186</u>
Disbursements:								
Current:								
Instruction	111,573	81,309	-	6,636	5,722	-	-	823,730
Support services	165,229	10,922	-	-	656	-	-	491,781
Noninstructional services	-	-	-	-	-	-	-	6,322
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	3,100
Total disbursements	<u>276,802</u>	<u>92,231</u>	<u>-</u>	<u>6,636</u>	<u>6,378</u>	<u>-</u>	<u>-</u>	<u>1,324,933</u>
Excess (deficiency) of receipts over disbursements	<u>4,600</u>	<u>(9,849)</u>	<u>-</u>	<u>(4,756)</u>	<u>(2,828)</u>	<u>-</u>	<u>-</u>	<u>51,253</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>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,600</u>	<u>(9,849)</u>	<u>-</u>	<u>(4,756)</u>	<u>(2,828)</u>	<u>-</u>	<u>-</u>	<u>51,253</u>
Cash and investments - ending	<u><u>\$ (3,558)</u></u>	<u><u>\$ (9,849)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (4,761)</u></u>	<u><u>\$ (2,828)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



KOKOMO SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Head Start 2014	Fresh Fruit & Vegetable Grant 2012-2013	Fresh Fruit & Vegetable Grant July-Sept 2013	Fresh Fruit & Vegetable Grant October-May 2013-2014	Qualified School Construction Bond	Education Jobs	Clearing Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 239,002	\$ -	\$ 166,509	\$ 22,397,170
Receipts:								
Local sources	372	-	-	-	-	-	-	29,462,313
Intermediate sources	-	-	-	-	-	-	-	29,847
State sources	-	-	-	-	-	-	-	44,464,070
Federal sources	789,210	-	4,636	49,337	-	-	-	9,608,223
Temporary loans	-	-	-	-	-	-	-	971,000
Other	-	-	-	-	-	-	9,944,807	9,955,864
Total receipts	789,582	-	4,636	49,337	-	-	9,944,807	94,491,317
Disbursements:								
Current:								
Instruction	606,888	-	-	-	-	-	-	34,129,902
Support services	293,079	-	-	-	-	-	-	25,818,236
Noninstructional services	3,854	-	4,636	49,729	-	-	-	3,316,803
Facilities acquisition and construction	-	-	-	-	239,002	-	-	8,369,555
Debt services	-	-	-	-	-	-	-	8,018,115
Nonprogrammed charges	-	-	-	-	-	-	9,932,716	18,872,076
Total disbursements	903,821	-	4,636	49,729	239,002	-	9,932,716	98,524,687
Excess (deficiency) of receipts over disbursements	(114,239)	-	-	(392)	(239,002)	-	12,091	(4,033,370)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	7,924,407
Sale of capital assets	-	-	-	-	-	-	-	8,506
Transfers in	-	-	-	-	-	-	-	389,061
Transfers out	-	-	-	-	-	-	-	(389,061)
Total other financing sources (uses)	-	-	-	-	-	-	-	7,932,913
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(114,239)	-	-	(392)	(239,002)	-	12,091	3,899,543
Cash and investments - ending	\$ (114,239)	\$ -	\$ -	\$ (392)	\$ -	\$ -	\$ 178,600	\$ 26,296,713

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 10,967,566</u>	<u>\$ 572,257</u>

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
De Lage Landen Public Finance LLC	Copier Lease Purchase Agreement	\$ 60,550	7/26/2013	7/26/2017
Kokomo-Center Schools Building Corporation	KHS/Career Center Renovation (Refinance of Bonds)	203,950	7/15/2010	7/15/2017
Kokomo-Center Schools Building Corporation	Renovations and improvements to Wallace Central Middle School			
	KHS AthleticField and Maple Crest Middle School	791,239	12/31/2013	12/31/2021
Kokomo-Center Schools Building Corporation	KHS/Career Center Renovation	3,402,309	1/15/2006	7/15/2017
Ricoh USA Inc.	Copier Lease Purchase Agreement	131,949	7/9/2013	7/9/2017
Total of annual lease payments		<u>\$ 4,589,997</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2013 GOB--CMS Auditorium and MCMS East Wall Renovation	\$ 1,205,000	\$ 1,209,519
General obligation bonds	2014 GOB--Pettit Park land acquisition and office renovation general maintenance corp wide corporation technology corporation roofing	2,000,000	580,083
General obligation bonds	2010 GOB QSCB Direct Payment--Energy Conservation projects	1,950,000	104,326
General obligation bonds	2006 Pension Debt	2,580,000	424,190
General obligation bonds	2007 GOB--KHS and Career Center Expansion	4,330,000	1,133,853
Tax anticipation warrants	Indiana Bond Bank--CPF loan	971,000	977,765
Totals		<u>\$ 13,036,000</u>	<u>\$ 4,429,736</u>

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KOKOMO SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2014

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	\$ 1,103,611
Buildings	102,022,814
Improvements other than buildings	4,106,717
Machinery, equipment, and vehicles	<u>12,224,711</u>
Total capital assets	<u><u>\$ 119,457,853</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 KOKOMO SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

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

We have audited the Kokomo 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, 2012 to June 30, 2014. 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, 2012 to June 30, 2014.



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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002 and 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, 2014-003, and 2014-004 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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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KOKOMO SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<b>Department of Agriculture</b>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	3500	\$ 428,041	\$ 429,566
National School Lunch Program	Indiana Department of Education	10.555	3500	1,991,177	1,938,724
Special Milk Program for Children	Indiana Department of Education	10.556	3500	1,494	3,555
Summer Food Service Program for Children	Indiana Department of Education	10.559	3500	22,166	16,136
Total - Child Nutrition Cluster				2,442,878	2,387,981
Child and Adult Care Food Program	Indiana Department of Education	10.558			
Head Start Snack Program			3500	22,925	22,260
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582			
Fresh Fruits and Vegetables Program			FY 12-13	63,439	-
Fresh Fruits and Vegetables Program			FY 13-14	-	53,973
Total - Fresh Fruit and Vegetable Program				63,439	53,973
Total - Department of Agriculture				2,529,242	2,464,214
<b>DEPARTMENT OF EDUCATION</b>					
Adult Education - Basic Grants to States	Lafayette School Corporation	84.002			
Adult Education - Basic 2012-2013			C1-3-AE-2-109	97,154	9,274
Adult Education - Basic 2013-2014			FY 13-14	-	43,646
Total - Adult Education - Basic Grants to States				97,154	52,920
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I Basic 11-12			12-3500	743,488	-
Title I Basic 12-13			13-3500	1,174,075	644,712
Title I Basic 13-14			14-3500	-	1,478,547
Title I Delinquent 11-12			12-3500	98,844	-
Title I Delinquent 12-13			13-3500	122,764	54,705
Title I Delinquent 13-14			14-3500	-	81,825
Title I School Improvement Award (1003a)			FY 12-13	34,878	14,498
Title I School Improvement Award (1003a)			FY 12-13	30,927	16,088
Total - Title I, Part A Cluster				2,204,976	2,290,375
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
Special Education, Part B			FY 11-12	798,883	19,550
Special Education, Part B			FY 12-13	878,430	788,235
Special Education, Part B			FY 13-14	-	985,006
Technology Assistance (Special Education)			FY 13-14	-	18,895
Special Education Improvement Award			FY 12-13	-	69,920
Total - Special Education - Grants to States				1,677,313	1,881,606
Special Education - Preschool Grants	Indiana Department of Education	84.173			
Special Education Preschool 2012			FY 11-12	36,775	-
Special Education Preschool 2013			FY 12-13	32,409	-

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

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<b>DEPARTMENT OF EDUCATION (continued)</b>					
Special Education Cluster (IDEA) (continued)					
Special Education - Preschool Grants (continued)					
Special Education Preschool 2013			FY 12-13	62,524	36,143
Special Education Preschool 2014			FY 13-14	-	45,073
Total - Special Education - Preschool Grants				131,708	81,216
Total - Special Education Cluster (IDEA)				1,809,021	1,962,822
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048			
Carl Perkins CTE Grant 2011-2012			FY 11-12	24,556	-
Carl Perkins CTE Grant 2012-2013			FY 12-13	170,805	65,559
Carl Perkins CTE Grant 2013-2014			FY 13-14	-	15,000
Carl Perkins CTE Grant 2013-2014			FY 13-14	-	175,613
Total - Career and Technical Education - Basic Grants to States				195,361	256,172
Education for Homeless Children and Youth	Indiana Department of Education	84.196			
McKinney-Vento Homeless Grant 2012-13			FY 12-13	46,520	-
McKinney-Vento Homeless Grant 2013-14			FY 13-14	-	6,791
Total - Education of Homeless Children and Youth				46,520	6,791
Tech-Prep Education	Indiana Department of Education	84.243			
Formula Grant, Tech Prep 2012-2013			V243A100014	6,648	-
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287			
21st Century CLC Grant 13-14			FY 13-14	-	146,837
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III - Language Instruction for LEP			FY 11-12	2,238	-
Title III - Language Instruction for LEP			FY 12-13	5,933	1,880
Title III - Language Instruction for LEP			FY 13-14	-	3,550
Total - English Language Acquisition State Grants				8,171	5,430
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II, Part A Improving Teacher Quality State Grants			FY 11-12	49,073	-
Title II, Part A Improving Teacher Quality State Grants			FY 12-13	191,236	92,149
Title II, Part A Improving Teacher Quality State Grants			FY 12-13	67,593	281,402
Title II, Part A Improving Teacher Quality State Grants			FY 13-14	-	81,397
Total - Improving Teacher Quality State Grants				307,902	454,948
College Access Challenge Grant Program	Indiana Department of Education	84.378			
Kokomo Area Career Center			FY 13-14	-	1,000
Education Jobs Fund	Indiana Department of Education	84.410			
Education Jobs			FY 12-13	29,177	-
Total - Department of Education				4,704,930	5,177,295

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

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Health and Human Services</u>					
Head Start	Direct Grant	93.600			
Head Start Grant 2012			FY 11-12	1,392,496	-
Head Start Grant 2013			FY 12-13	855,437	1,376,014
Head Start Grant 2014			FY 13-14	-	789,210
Total - Head Start				<u>2,247,933</u>	<u>2,165,224</u>
Total - Department of Health and Human Services				<u>2,247,933</u>	<u>2,165,224</u>
Total federal award expenditures				<u>\$ 9,482,105</u>	<u>\$ 9,806,733</u>

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

KOKOMO 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 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 5-11-1-25), 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, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	For the Year Ended June 30 2013	For the Year Ended June 30 2014
National School Lunch Program	10.555	\$ 199,850	\$ 198,510



KOKOMO 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?	yes
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?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Title I, Part A Cluster
84.367	Improving Teacher Quality State Grants
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$578,665

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

**Section II - Financial Statement Findings**

No matters are reportable.

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2014-001 - CASH MANAGEMENT, ELIGIBILITY,  
SUSPENSION AND DEBARMENT, AND REPORTING***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program,  
Special Milk Program for Children, Summer Food Service Program for Children

CFDA Number: 10.553, 10.555, 10.556, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 2012-13, FY 2013-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect on the programs. This includes the compliance requirements for Cash Management, Eligibility, Suspension and Debarment, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Cash Management*

The School Corporation did not have adequate controls in place to ensure compliance with the Food Cash Management requirement.

*Eligibility*

There was no documented segregation of duties, such as an oversight, review, or approval of the school lunch free and reduced application approval process.

*Suspension and Debarment*

The School Corporation has not designed or implemented adequate policies and procedures to ensure that vendors have not been suspended or debarred from contractual agreements.

*Reporting*

Monthly claims for reimbursement and Annual Financial Reports are prepared by the Food Service Accountant and submitted electronically via the Department of Education website. Each report is completed and filed by one person with no review or oversight.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements that have a direct and material effect of the programs could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

***FINDING 2014-002 - PROGRAM INCOME***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program,  
Special Milk Program for Children, Summer Food Service Program for Children

CFDA Number: 10.553, 10.555, 10.556, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 2012-13, FY 2013-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Program Income compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs. An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

The School Corporation has not established policies or procedures to ensure that the program income reported for the School Lunch fund was accurate based on the number and type of paid meals served. A separate fund to account for prepaid meals was not established. Program Income for the School Lunch fund could not be verified to the number and type of paid meals served.

7 CFR 3016.20(a) states in part:

"A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. (The School Administrator and Uniform Compliance Guidelines, Volume 183, Page 3, September 2008)

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that School Corporation management establish controls, including segregation of duties, related to the grant agreement and the Program Income compliance requirements.

***FINDING 2014-003 - CASH MANAGEMENT AND PERIOD OF AVAILABILITY***

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Federal Award Number and Year (or Other Identifying Number): FY 11-12, FY 12-13, FY 13-14

Pass-Through Entity: Direct Grant

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management and Period of Availability compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program. An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

The School Corporation maintains the financial responsibility for the Kokomo Schools Head Start Program. The Business Manager prepares the financial reimbursement requests; however, each report is completed with no review or oversight.

The School Corporation did not establish controls to ensure that federal funds were obligated within the period of availability.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2014-004 - CASH MANAGEMENT AND REPORTING***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-3500, 13-3500, 14-3500  
FY 2012-13, FY 2013-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program. An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

The School Corporation has not designed or implemented adequate policies or procedures to ensure that reimbursement requests agreed with expenditures made during the period covered by the request. Two of the six reimbursement requests tested failed to have all supporting documentation to identify items reimbursed and to verify amounts expended.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

34 CFR 80.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation establish controls to ensure compliance with and comply with the grant agreement and the Cash Management and Reporting requirements of the program.

#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



August 31, 2015

**Board of School  
Trustees**

Cristi Brewer-Allen  
*President*

Crystal Sanburn  
*Vice President*

Marsha Bowling  
*Secretary*

Jim Callane  
*Trustee*

Lisa Ellison  
*Trustee*

Michael Gault  
*Trustee*

Stephanie  
McClelland  
*Trustee*

**Mission Statement**

Our mission is to  
develop global-  
minded and  
compassionate  
lifelong learners for  
a changing world.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2012-1 REPORTING AND INTERNAL CONTROLS OVER REPORTING**

Original Assigned SBA Audit Report Number: B41768

Report Period: July 1, 2010 to June 30, 2012

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Cronk (Geraldyn Smalling—prior)

Contact Phone Number: 765-455-8000 ext. 315

**Status of Audit Finding:**

All changes in procedures detailed in the corrective action plan dated March 5, 2013 by the former Director of Business, Geraldyn Smalling, have been put into place and followed since June 30, 2012. A template for important grant dates and contact information is included in all grant files and the master list of grant dates is constantly being updated and monitored to ensure that report dates are met on a timely basis. While previously the General Accountant was responsible for completing these duties, the position title has been changed to Budgetary Grant Accountant with similar responsibilities. The Budgetary Grant Accountant meets regularly with the current Director of Business to discuss the progress of grants as the year progresses.

Michelle Cronk  
(Signature)

Director of Business  
(Title)

August 31, 2015  
(Date)





## KOKOMO SCHOOL CORPORATION

*Creating a Better World Through Education*

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Lisa Ellison  
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Michael Gault  
Trustee

Stephanie McClelland  
Trustee

### Mission Statement

Our mission is to develop global-minded and compassionate lifelong learners for a changing world.

### **FINDING 2014-001**

Contact Person Responsible for Corrective Action: Michelle Cronk, Director of Business/Treasurer  
Contact Phone Number: 765-455-8000 ext. 315

### Description of Corrective Action Plan:

Policy #6460 will be revised to reflect changes to necessary policies and procedures related to the suspension and debarment finding under the Federal Food Service program. The Board policy will have a first reading on September 2, 2015 and a second reading for approval on September 14, 2015. Additionally, the Director of Food Service will ensure that the policy is being followed as bids from vendors are received.

In response to the findings on cash management and reporting, all cash reimbursement requests and financial reports will be reviewed for accuracy and signed by either the Director of Business/Treasurer, the Assistant Business Manager/Deputy Treasurer or the Director of Food Service prior to submission.

Free and reduced applications are initially approved at the building level and then sent to the Food Service office for final approval. Food service personnel will review the applications and send them to the Director of Business/Treasurer, the Assistant Business Manager/Deputy Treasurer or the Director of Food Service for final approval.

Anticipated Completion Date: September 14, 2015

Michelle Cronk  
(Signature)

Director of Business/Treasurer  
(Title)

9/1/2015  
(Date)



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McClelland  
Trustee

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### **FINDING 2014-002**

Contact Person Responsible for Corrective Action: Michelle Cronk, Director of Business/Treasurer  
Contact Phone Number: 765-455-8000 ext. 315

### Description of Corrective Action Plan:

The prepaid food fund was established on July 1, 2015 for the beginning of the 2015-2016 school year. The Food Service Accountant will reconcile the prepaid food fund on at least a monthly basis. Additionally, the Food Service Accountant is maintaining a summary spreadsheet of uncollected student account balances. As accounts are paid off or deemed uncollectable by the school attorney, the spreadsheet is updated.

A board policy regarding limits to food credit balances will be presented to the Board for approval prior to the end of the 2015 calendar year to take affect January 1, 2016.

Anticipated Completion Date: January 1, 2016

Michelle Cronk  
(Signature)

Director of Business / Treasurer  
(Title)

9/1/15  
(Date)



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Stephanie McClelland  
Trustee

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### **FINDING 2014-003**

Contact Person Responsible for Corrective Action: Michelle Cronk, Director of Business/Treasurer  
Contact Phone Number: 765-455-8000 ext. 315

### Description of Corrective Action Plan:

Financial reimbursement requests will initially be completed by the Budgetary Grants Accountant and submitted to the Director of Business/Treasurer or designee for final approval. Financial reimbursement requests will be calculated using actual expenditure reports.

Anticipated Completion Date: Placed in effect for the 2015-2016 school year

Michelle Cronk  
(Signature)

Director of Business / Treasurer  
(Title)

9/1/2015  
(Date)





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Michael Gault  
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Stephanie  
McClelland  
Trustee

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### **FINDING 2014-004**

Contact Person Responsible for Corrective Action: Michelle Cronk, Director of Business/Treasurer  
Contact Phone Number: 765-455-8000 ext. 315

### Description of Corrective Action Plan:

Financial reimbursement requests will initially be completed by the Budgetary Grants Accountant and submitted to the Director of Business/Treasurer or designee for final approval. Financial reimbursement requests will be calculated using actual expenditure reports in order to verify amounts expended.

Anticipated Completion Date: Placed in effect for the 2015-2016 school year

Michelle Cronk  
(Signature)

Director of Business / Treasurer  
(Title)

9/1/15  
(Date)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.