

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
07/08/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cheryl Leiter (Vacant) Juanita Lavy	07-01-12 to 10-31-15 11-01-15 to 01-04-16 01-05-16 to 06-30-16
Director of Finance and Operations	Brock Bowsher	07-01-12 to 06-30-16
Superintendent of Schools	Dr. Margaret E. Hoernemann	07-01-12 to 06-30-16
President of the School Board	Kimberly L. Woodward Anne L. Engelhardt Kimberly L. Woodward	07-01-12 to 12-31-12 01-01-13 to 12-31-15 01-01-16 to 12-31-16



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE AVON COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Avon Community 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.

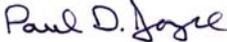
Other Information

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 May 12, 2016, 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

May 12, 2016



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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 AVON COMMUNITY SCHOOL
CORPORATION, HENDRICKS 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 Avon Community 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 May 12, 2016, 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.

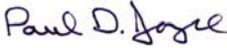
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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

May 12, 2016

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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.

AVON COMMUNITY 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

Fund	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	\$ 1,924,741	\$ 49,709,901	\$ 50,753,573	\$ -	\$ 881,069	\$ 51,872,070	\$ 49,511,268	\$ 1,000	\$ 3,242,871
Debt Service	5,301,025	24,412,871	24,101,099	-	5,612,797	23,593,236	24,740,252	-	4,465,781
Retirement/Severance Bond Debt Service	268,598	839,169	879,730	-	228,037	799,887	880,793	-	147,131
Capital Projects	1,291,472	4,351,585	3,817,781	20,218	1,845,494	4,825,652	3,641,459	(708)	3,028,979
School Transportation	2,117,134	5,807,086	5,505,714	-	2,418,506	5,699,139	5,665,694	-	2,451,951
School Bus Replacement	2,366,558	743,653	-	-	3,110,211	698,494	-	(1,500,000)	2,308,705
Rainy Day	2,094,486	-	1,545,472	-	549,014	-	1,314,241	1,500,000	734,773
Retirement/Severance Bond	718,525	1,529	-	-	720,054	1,081	-	-	721,135
Construction 2002 Revenue Funds	7,936	-	-	-	7,936	-	-	-	7,936
Construction Fund	28,495	-	293	-	28,202	-	-	-	28,202
Construction AIS Pool Renovation	1,233	-	-	-	1,233	-	600	-	633
Construction 2007 Middle School	563,698	-	-	-	563,698	-	-	-	563,698
School Lunch	536,079	3,868,582	3,937,896	1,500	468,265	4,111,254	3,864,784	-	714,735
Textbook Rental	(400,903)	803,533	318,217	-	84,413	808,684	1,110,275	-	(217,178)
Safe Haven Grant 2012-13	-	14,500	14,500	-	-	-	-	-	-
Safe Haven Grant 2013-14	-	-	-	-	-	10,150	10,150	-	-
AEF-ACSC Technology Administration	-	5,000	-	-	5,000	-	5,000	-	-
AEF School Grants	-	-	-	-	-	3,021	2,232	-	789
Jenny Miller Memorial/O'Brien	1	-	1	-	-	-	-	-	-
Youth As Resources ME/OLC Garden	500	-	-	-	500	-	500	-	-
AEF Grant Remediation Program	-	-	-	-	-	4,000	3,763	-	237
Lilly Science Education Grants	-	755	714	-	41	-	-	-	41
Sustaning/Improving Literacy	274	5,500	3,519	-	2,255	3,958	3,571	-	2,642
Power of Physics HS (HCCF)	748	-	673	-	75	-	-	-	75
Counselors Care Maple Elementary	100	-	81	-	19	-	19	-	-
IFOB AG Resource Grant	-	3,024	1,898	-	1,126	-	-	-	1,126
Bright House Bright Futures GT	-	507	507	-	-	-	-	-	-
Gordman's Donation Fund	-	2,500	2,111	-	389	345	975	-	(241)
ACSC Literacy Program	-	1,500	-	-	1,500	-	-	-	1,500
ACSC Autism Program - AEF Donation	-	60	60	-	-	-	-	-	-
Duke Energy - Science Grant	-	5,000	4,909	-	91	-	-	-	91
Avon Educational Foundation	1	33,683	33,683	-	1	33,927	35,325	-	(1,397)
ACS-HACH HS Chemistry Grant	-	-	-	-	-	1,840	1,840	-	-
Invent Now Cedar Science Grant	-	-	-	-	-	300	293	-	7
Vectren Foundation Grant (T Record)	-	-	-	-	-	2,500	2,500	-	-
Meggers Project Award AIP	-	-	-	-	-	5,000	2,603	-	2,397
Walmart Grant Freshman Mentoring Program	-	-	-	-	-	2,000	-	-	2,000
Walmart/Duke Energy Grant Math-HS	-	-	-	-	-	1,050	-	-	1,050
Japan Foundation Grant	3,259	-	3,259	-	-	981	981	-	-
Independent Colleges of Indiana	34	-	-	-	34	-	34	-	-
MSP Tech Purdue Science Grant	-	-	79,517	-	(79,517)	85,354	5,836	-	1
ECA Field Trip Fund	(19,620)	54,299	83,540	-	(48,861)	45,059	14,708	-	(18,510)
Smiley Face Club	137	-	-	-	137	-	-	-	137
Jeri Inman Scholarship SCHWAB	8,061	-	-	-	8,061	1	2,000	-	6,062
Gibraltar Citizenship Award	865	-	76	-	789	-	76	-	713
McCalment Scholarship Fund	981	1,018	-	-	1,999	1,019	1,000	-	2,018
R L T Mini-Grant PLTW Enhancement	-	120	-	-	120	-	-	-	120

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

AVON COMMUNITY 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)

Fund	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
Hendricks County Substance Abuse	2,864	2,000	4,192	-	672	2,620	1,328	-	1,964
YMCA Latchkey Grant	(4,000)	40,000	52,000	-	(16,000)	60,000	44,000	-	-
Outdoor Learning Center	14,604	12,573	21,026	-	6,151	31,437	22,017	-	15,571
Hendricks County Solid Waste Grant - OLC	-	-	-	-	-	1,000	982	-	18
Joseph Sugg Foundation	540	-	-	-	540	-	-	-	540
Lions Club Donation	735	-	735	-	-	-	-	-	-
High Ability 2011-2012	15,127	-	15,127	-	-	-	-	-	-
High Ability Building Blocks	-	15,000	15,000	-	-	-	-	-	-
High Ability 2012-2013	-	64,160	55,331	-	8,829	-	8,829	-	-
High Ability Building Blocks 2013	-	-	-	-	-	633	15,001	-	(14,368)
High Ability Grant Fund 2013-14	-	-	-	-	-	65,562	47,829	-	17,733
Early Childhood Intervention (First Steps)	1,413	-	-	-	1,413	-	1,413	-	-
Medicaid Reimbursement	10,592	15,600	25,414	-	778	15,510	13,566	-	2,722
NESP 2011-2012	(811)	-	(811)	-	-	-	-	-	-
NESP 2012-2013	-	31,864	23,700	-	8,164	-	8,164	-	-
NESP 2013-2014	-	-	-	-	-	33,685	24,689	-	8,996
State Connectivity Grant School Technology	-	28,527	-	-	28,527	43,353	12,413	-	59,467
Senator David Ford Technology	-	16,851	16,851	-	-	-	-	-	-
Project Lead the Way	(10,736)	17,311	6,576	-	(1)	10,000	3,442	-	6,557
CTO Council Sponsorships	13,139	7,650	20,788	-	1	-	-	-	1
Title I 2011-2012	(19,277)	37,647	18,370	-	-	-	-	-	-
Title I 2012-2013	-	421,129	427,924	-	(6,795)	8,738	1,942	-	1
Title I 2013-2014	-	-	-	-	-	261,390	343,874	-	(82,484)
West Central Part B 2010-11	6,473	-	6,475	-	(2)	-	-	-	(2)
Part B Grant 2011-12	(171,328)	356,025	184,697	-	-	-	-	-	-
Part B Preschool 2011-12	(3,602)	10,867	7,266	-	(1)	-	-	-	(1)
Special Education Improvement 2012	-	34,367	34,367	-	-	-	-	-	-
Part B 611 Reg Grant 2012-13	-	1,160,630	1,283,433	-	(122,803)	268,512	145,712	-	(3)
Part B 619 Preschool Grant 2012-13	-	34,699	39,332	-	(4,633)	5,934	1,300	-	1
Public Law 101-476 Idea	-	-	-	-	-	24,518	24,518	-	-
Part B 611 Reg Grant 2013-14	-	-	-	-	-	978,523	1,254,476	-	(275,953)
Part B 619 Preschool Grant 2013-14	-	-	-	-	-	35,515	39,357	-	(3,842)
Part B Technical Assistance Grant	-	-	-	-	-	11,297	17,104	-	(5,807)
Medicaid Reimbursement - Federal	-	29,452	12,617	-	16,835	29,046	24,581	-	21,300
IndianaMac Reimbursement PGM Federal	-	7,816	-	-	7,816	43,416	18,639	-	32,593
Title II Part A 2011-13	-	-	2,873	-	(2,873)	96,933	94,060	-	-
Title II Part A 2012-14	-	-	3,128	-	(3,128)	-	981	-	(4,109)
Title III 2011-12	(915)	4,252	12,093	-	(8,756)	8,757	-	-	1
Title III 2012-13	-	-	42,986	-	(42,986)	44,037	4,710	-	(3,659)
Title III 2013-14	-	-	-	-	-	17,355	41,941	-	(24,586)
84.378A Cash For College Grant	-	1,000	-	-	1,000	-	-	-	1,000
Education Jobs	(15,396)	46,220	30,823	-	1	-	-	-	1
Payroll Clearing	3,161,440	17,474,587	16,985,975	-	3,650,052	17,465,163	15,784,645	-	5,330,570
Totals	\$ 19,815,280	\$ 110,535,602	\$ 110,437,111	\$ 21,718	\$ 19,935,489	\$ 112,172,936	\$ 108,824,285	\$ 292	\$ 23,284,432

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

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

AVON COMMUNITY 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.

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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.

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

Funding Policy and Annual Pension Cost

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

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
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 some funds being set up for reimbursable grants. The reimbursement for grant fund expenditures made by the School Corporation was not received by June 30, 2013 or 2014. Other funds with cash balance deficits are the results of disbursements exceeding receipts.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Avon 2000 Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$10,253,527 and \$10,978,128, respectively.

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

The School Corporation has entered into a capital lease with Two Thousand School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$12,964,904 and \$13,529,210, respectively.

Note 9. Subsequent Events

On November 9, 2015, the School Board adopted a resolution to make \$3,300,000 in improvements to the Pine Tree Elementary School. The improvements will be made by the Avon 2000 Community School Building Corporation, leased to the Avon Community School Corporation, and will be funded by a bond issue.

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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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction 2002 Revenue Funds	Construction Fund
Cash and investments - beginning	\$ 1,924,741	\$ 5,301,025	\$ 268,598	\$ 1,291,472	\$ 2,117,134	\$ 2,366,558	\$ 2,094,486	\$ 718,525	\$ 7,936	\$ 28,495
Receipts:										
Local sources	1,248,014	24,357,965	839,169	4,330,539	5,632,725	743,653	-	1,529	-	-
Intermediate sources	20,644	-	-	-	-	-	-	-	-	-
State sources	48,404,791	-	-	-	-	-	-	-	-	-
Federal sources	34,702	54,906	-	-	-	-	-	-	-	-
Other	1,750	-	-	21,046	174,361	-	-	-	-	-
Total receipts	<u>49,709,901</u>	<u>24,412,871</u>	<u>839,169</u>	<u>4,351,585</u>	<u>5,807,086</u>	<u>743,653</u>	<u>-</u>	<u>1,529</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	33,265,478	-	-	-	-	-	-	-	-	-
Support services	16,954,163	1,250	-	3,391,712	5,505,714	-	1,545,472	-	-	-
Noninstructional services	515,032	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	18,900	-	-	426,069	-	-	-	-	-	293
Debt services	-	24,099,849	879,730	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>50,753,573</u>	<u>24,101,099</u>	<u>879,730</u>	<u>3,817,781</u>	<u>5,505,714</u>	<u>-</u>	<u>1,545,472</u>	<u>-</u>	<u>-</u>	<u>293</u>
Excess (deficiency) of receipts over disbursements	<u>(1,043,672)</u>	<u>311,772</u>	<u>(40,561)</u>	<u>533,804</u>	<u>301,372</u>	<u>743,653</u>	<u>(1,545,472)</u>	<u>1,529</u>	<u>-</u>	<u>(293)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	20,218	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,043,672)</u>	<u>311,772</u>	<u>(40,561)</u>	<u>554,022</u>	<u>301,372</u>	<u>743,653</u>	<u>(1,545,472)</u>	<u>1,529</u>	<u>-</u>	<u>(293)</u>
Cash and investments - ending	<u>\$ 881,069</u>	<u>\$ 5,612,797</u>	<u>\$ 228,037</u>	<u>\$ 1,845,494</u>	<u>\$ 2,418,506</u>	<u>\$ 3,110,211</u>	<u>\$ 549,014</u>	<u>\$ 720,054</u>	<u>\$ 7,936</u>	<u>\$ 28,202</u>

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

	Construction AIS Pool Renovation	Construction 2007 Middle School	School Lunch	Textbook Rental	Safe Haven Grant 2012-13	Safe Haven Grant 2013-14	AEF-ACSC Technology Administration	AEF School Grants	Jenny Miller Memorial /Obrien
Cash and investments - beginning	\$ 1,233	\$ 563,698	\$ 536,079	\$ (400,903)	\$ -	\$ -	\$ -	\$ -	\$ 1
Receipts:									
Local sources	-	-	2,632,828	602,095	-	-	5,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	48,633	201,167	14,500	-	-	-	-
Federal sources	-	-	1,186,766	-	-	-	-	-	-
Other	-	-	355	271	-	-	-	-	-
Total receipts	-	-	3,868,582	803,533	14,500	-	5,000	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	1
Support services	-	-	55,932	318,217	14,500	-	-	-	-
Noninstructional services	-	-	3,564,357	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	317,607	-	-	-	-	-	-
Total disbursements	-	-	3,937,896	318,217	14,500	-	-	-	1
Excess (deficiency) of receipts over disbursements	-	-	(69,314)	485,316	-	-	5,000	-	(1)
Other financing sources (uses):									
Sale of capital assets	-	-	1,500	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,500	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(67,814)	485,316	-	-	5,000	-	(1)
Cash and investments - ending	\$ 1,233	\$ 563,698	\$ 468,265	\$ 84,413	\$ -	\$ -	\$ 5,000	\$ -	\$ -

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

	Youth As Resources ME/OLC Garden	AEF Grant Remediation Program	Lilly Science Education Grants	Sustaining/ Improving Literacy	Power of Physics HS (HCCF)	Counselors Care Maple Elementary	IFOF AG Resource Grant	Bright House Bright Futures GT	Gordman's Donation Fund
Cash and investments - beginning	\$ 500	\$ -	\$ -	\$ 274	\$ 748	\$ 100	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	5,500	-	-	3,024	507	2,500
Intermediate sources	-	-	755	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	755	5,500	-	-	3,024	507	2,500
Disbursements:									
Current:									
Instruction	-	-	714	3,519	673	81	561	507	-
Support services	-	-	-	-	-	-	1,337	-	2,111
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	714	3,519	673	81	1,898	507	2,111
Excess (deficiency) of receipts over disbursements	-	-	41	1,981	(673)	(81)	1,126	-	389
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	41	1,981	(673)	(81)	1,126	-	389
Cash and investments - ending	\$ 500	\$ -	\$ 41	\$ 2,255	\$ 75	\$ 19	\$ 1,126	\$ -	\$ 389

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

	ACSC Literacy Program	ACSC Autism Program - AEF Donation	Duke Energy - Science Grant	Avon Educational Foundation	ACS-HACH HS Chemistry Grant	Invent Now Cedar Science Grant	Vectren Foundation Grant (T Record)	Meggers Project Award AIP	Walmart Grant Freshman Mentoring Program
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	1,500	60	5,000	32,295	-	-	-	-	-
Intermediate sources	-	-	-	1,388	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,500</u>	<u>60</u>	<u>5,000</u>	<u>33,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	60	4,909	-	-	-	-	-	-
Support services	-	-	-	1,388	-	-	-	-	-
Noninstructional services	-	-	-	32,295	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>60</u>	<u>4,909</u>	<u>33,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,500</u>	<u>-</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,500</u>	<u>-</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Walmart/Duke Energy Grant Math - HS	Japan Foundation Grant	Independent Colleges of Indiana	MSP Tech Purdue Science Grant	ECA Field Trip Fund	Smiley Face Club	Jerri Inman Scholarship SCHWAB	Gibraltar Citizenship Award	McCalment Scholarship Fund
Cash and investments - beginning	\$ -	\$ 3,259	\$ 34	\$ -	\$ (19,620)	\$ 137	\$ 8,061	\$ 865	\$ 981
Receipts:									
Local sources	-	-	-	-	54,299	-	-	-	1,018
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	54,299	-	-	-	1,018
Disbursements:									
Current:									
Instruction	-	3,259	-	79,517	-	-	-	76	-
Support services	-	-	-	-	83,540	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,259	-	79,517	83,540	-	-	76	-
Excess (deficiency) of receipts over disbursements	-	(3,259)	-	(79,517)	(29,241)	-	-	(76)	1,018
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,259)	-	(79,517)	(29,241)	-	-	(76)	1,018
Cash and investments - ending	\$ -	\$ -	\$ 34	\$ (79,517)	\$ (48,861)	\$ 137	\$ 8,061	\$ 789	\$ 1,999

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

	R L T Mini-Grant PTLW Enhancement	Hendricks County Substance Abuse	YMCA Latchkey Grant	Outdoor Learning Center	Hendricks County Solid Waste Grant - OLC	Joseph Sugg Foundation	Lions Club Donation	High Ability 2011-2012	High Ability Building Blocks
Cash and investments - beginning	\$ -	\$ 2,864	\$ (4,000)	\$ 14,604	\$ -	\$ 540	\$ 735	\$ 15,127	\$ -
Receipts:									
Local sources	120	2,000	40,000	12,573	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	15,000
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>120</u>	<u>2,000</u>	<u>40,000</u>	<u>12,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Disbursements:									
Current:									
Instruction	-	2,864	-	21,026	-	-	-	14,682	15,000
Support services	-	1,328	52,000	-	-	-	735	445	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>4,192</u>	<u>52,000</u>	<u>21,026</u>	<u>-</u>	<u>-</u>	<u>735</u>	<u>15,127</u>	<u>15,000</u>
Excess (deficiency) of receipts over disbursements	<u>120</u>	<u>(2,192)</u>	<u>(12,000)</u>	<u>(8,453)</u>	<u>-</u>	<u>-</u>	<u>(735)</u>	<u>(15,127)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>120</u>	<u>(2,192)</u>	<u>(12,000)</u>	<u>(8,453)</u>	<u>-</u>	<u>-</u>	<u>(735)</u>	<u>(15,127)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 120</u>	<u>\$ 672</u>	<u>\$ (16,000)</u>	<u>\$ 6,151</u>	<u>\$ -</u>	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	High Ability 2012-2013	High Ability Building Blocks 2013	High Ability Grant Fund 2013-14	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	NESP 2011-2012	NESP 2012-2013	NESP Grant 2013-2014	State Connectivity Grant School Technology
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,413	\$ 10,592	\$ (811)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	64,160	-	-	-	15,600	-	31,864	-	28,527
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>64,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,600</u>	<u>-</u>	<u>31,864</u>	<u>-</u>	<u>28,527</u>
Disbursements:									
Current:									
Instruction	52,146	-	-	-	-	(811)	22,720	-	-
Support services	3,185	-	-	-	25,414	-	980	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>55,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,414</u>	<u>(811)</u>	<u>23,700</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,814)</u>	<u>811</u>	<u>8,164</u>	<u>-</u>	<u>28,527</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>8,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,814)</u>	<u>811</u>	<u>8,164</u>	<u>-</u>	<u>28,527</u>
Cash and investments - ending	<u>\$ 8,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,413</u>	<u>\$ 778</u>	<u>\$ -</u>	<u>\$ 8,164</u>	<u>\$ -</u>	<u>\$ 28,527</u>

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

	Senator David Ford Technology	Project Lead the Way	CTO Council Sponsorships	Title I 2011-2012	Title I 2012-2013	Title I 2013-2014	West Central Part B 2010-11	Part B Grant 2011-12	Part B Preschool 2011-12
Cash and investments - beginning	\$ -	\$ (10,736)	\$ 13,139	\$ (19,277)	\$ -	\$ -	\$ 6,473	\$ (171,328)	\$ (3,602)
Receipts:									
Local sources	-	17,311	7,650	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	16,851	-	-	-	-	-	-	-	-
Federal sources	-	-	-	37,647	421,129	-	-	356,025	10,867
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>16,851</u>	<u>17,311</u>	<u>7,650</u>	<u>37,647</u>	<u>421,129</u>	<u>-</u>	<u>-</u>	<u>356,025</u>	<u>10,867</u>
Disbursements:									
Current:									
Instruction	-	-	-	17,712	415,265	-	6,475	184,697	7,266
Support services	10,807	6,576	20,788	-	11,670	-	-	-	-
Noninstructional services	-	-	-	658	989	-	-	-	-
Facilities acquisition and construction	6,044	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>16,851</u>	<u>6,576</u>	<u>20,788</u>	<u>18,370</u>	<u>427,924</u>	<u>-</u>	<u>6,475</u>	<u>184,697</u>	<u>7,266</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>10,735</u>	<u>(13,138)</u>	<u>19,277</u>	<u>(6,795)</u>	<u>-</u>	<u>(6,475)</u>	<u>171,328</u>	<u>3,601</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>10,735</u>	<u>(13,138)</u>	<u>19,277</u>	<u>(6,795)</u>	<u>-</u>	<u>(6,475)</u>	<u>171,328</u>	<u>3,601</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (6,795)</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (1)</u>

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

	Special Education Improvement 2012	Part B 611 Reg Grant 2012-13	Part B 619 Preschool Grant 2012-13	Public Law 101-476 Idea	Part B 611 Reg Grant 2013-14	Part B 619 Preschool Grant 2013-14	Part B Technical Assistance Grant	Medicaid Reimbursement - Federal	IndianaMac Reimbursement PGM Federal
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	34,367	1,160,630	34,699	-	-	-	-	29,452	7,816
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>34,367</u>	<u>1,160,630</u>	<u>34,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,452</u>	<u>7,816</u>
Disbursements:									
Current:									
Instruction	30,025	1,282,933	39,332	-	-	-	-	-	-
Support services	4,342	500	-	-	-	-	-	12,617	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>34,367</u>	<u>1,283,433</u>	<u>39,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,617</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(122,803)</u>	<u>(4,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,835</u>	<u>7,816</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(122,803)</u>	<u>(4,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,835</u>	<u>7,816</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (122,803)</u>	<u>\$ (4,633)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,835</u>	<u>\$ 7,816</u>

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

	Title II Part A 2011-13	Title II Part A 2012-14	Title III 2011-12	Title III 2012-13	Title III 2013-14	84.378A Cash for College Grant	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (915)	\$ -	\$ -	\$ -	\$ (15,396)	\$ 3,161,440	\$ 19,815,280
Receipts:									
Local sources	-	-	-	-	-	-	-	-	40,578,874
Intermediate sources	-	-	-	-	-	-	-	-	22,787
State sources	-	-	-	-	-	-	-	-	48,841,093
Federal sources	-	-	4,252	-	-	1,000	46,220	-	3,420,478
Other	-	-	-	-	-	-	-	17,474,587	17,672,370
Total receipts	<u>-</u>	<u>-</u>	<u>4,252</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>46,220</u>	<u>17,474,587</u>	<u>110,535,602</u>
Disbursements:									
Current:									
Instruction	-	-	3,893	42,335	-	-	30,823	-	35,547,738
Support services	2,873	3,128	8,200	651	-	-	-	-	28,041,575
Noninstructional services	-	-	-	-	-	-	-	-	4,113,331
Facilities acquisition and construction	-	-	-	-	-	-	-	-	451,306
Debt services	-	-	-	-	-	-	-	-	24,979,579
Nonprogrammed charges	-	-	-	-	-	-	-	16,985,975	17,303,582
Total disbursements	<u>2,873</u>	<u>3,128</u>	<u>12,093</u>	<u>42,986</u>	<u>-</u>	<u>-</u>	<u>30,823</u>	<u>16,985,975</u>	<u>110,437,111</u>
Excess (deficiency) of receipts over disbursements	<u>(2,873)</u>	<u>(3,128)</u>	<u>(7,841)</u>	<u>(42,986)</u>	<u>-</u>	<u>1,000</u>	<u>15,397</u>	<u>488,612</u>	<u>98,491</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	21,718
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,718</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,873)</u>	<u>(3,128)</u>	<u>(7,841)</u>	<u>(42,986)</u>	<u>-</u>	<u>1,000</u>	<u>15,397</u>	<u>488,612</u>	<u>120,209</u>
Cash and investments - ending	<u>\$ (2,873)</u>	<u>\$ (3,128)</u>	<u>\$ (8,756)</u>	<u>\$ (42,986)</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1</u>	<u>\$ 3,650,052</u>	<u>\$ 19,935,489</u>

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction 2002 Revenue Funds	Construction Fund
Cash and investments - beginning	\$ 881,069	\$ 5,612,797	\$ 228,037	\$ 1,845,494	\$ 2,418,506	\$ 3,110,211	\$ 549,014	\$ 720,054	\$ 7,936	\$ 28,202
Receipts:										
Local sources	1,372,268	23,566,601	799,887	4,671,385	5,586,817	698,494	-	1,081	-	-
Intermediate sources	17,030	-	-	-	-	-	-	-	-	-
State sources	50,481,608	-	-	-	-	-	-	-	-	-
Federal sources	-	26,635	-	-	-	-	-	-	-	-
Other	1,164	-	-	154,267	112,322	-	-	-	-	-
Total receipts	51,872,070	23,593,236	799,887	4,825,652	5,699,139	698,494	-	1,081	-	-
Disbursements:										
Current:										
Instruction	32,180,347	-	-	-	-	-	-	-	-	-
Support services	16,856,419	-	-	3,425,915	5,665,694	-	1,314,241	-	-	-
Noninstructional services	456,577	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	17,925	-	-	215,544	-	-	-	-	-	-
Debt services	-	24,740,252	880,793	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	49,511,268	24,740,252	880,793	3,641,459	5,665,694	-	1,314,241	-	-	-
Excess (deficiency) of receipts over disbursements	2,360,802	(1,147,016)	(80,906)	1,184,193	33,445	698,494	(1,314,241)	1,081	-	-
Other financing sources (uses):										
Sale of capital assets	1,000	-	-	(708)	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,500,000	-	-	-
Transfers out	-	-	-	-	-	(1,500,000)	-	-	-	-
Total other financing sources (uses)	1,000	-	-	(708)	-	(1,500,000)	1,500,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,361,802	(1,147,016)	(80,906)	1,183,485	33,445	(801,506)	185,759	1,081	-	-
Cash and investments - ending	\$ 3,242,871	\$ 4,465,781	\$ 147,131	\$ 3,028,979	\$ 2,451,951	\$ 2,308,705	\$ 734,773	\$ 721,135	\$ 7,936	\$ 28,202

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

	Construction AIS Pool Renovation	Construction 2007 Middle School	School Lunch	Textbook Rental	Safe Haven Grant 2012-13	Safe Haven Grant 2013-14	AEF-ACSC Technology Administration	AEF School Grants	Jenny Miller Memorial /Obrien
Cash and investments - beginning	\$ 1,233	\$ 563,698	\$ 468,265	\$ 84,413	\$ -	\$ -	\$ 5,000	\$ -	\$ -
Receipts:									
Local sources	-	-	2,701,617	618,053	-	-	-	3,021	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	53,745	187,759	-	10,150	-	-	-
Federal sources	-	-	1,353,266	-	-	-	-	-	-
Other	-	-	2,626	2,872	-	-	-	-	-
Total receipts	-	-	4,111,254	808,684	-	10,150	-	3,021	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	2,232	-
Support services	-	-	51,839	1,110,275	-	10,150	-	-	-
Noninstructional services	-	-	3,616,652	-	-	-	-	-	-
Facilities acquisition and construction	600	-	-	-	-	-	5,000	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	196,293	-	-	-	-	-	-
Total disbursements	600	-	3,864,784	1,110,275	-	10,150	5,000	2,232	-
Excess (deficiency) of receipts over disbursements	(600)	-	246,470	(301,591)	-	-	(5,000)	789	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(600)	-	246,470	(301,591)	-	-	(5,000)	789	-
Cash and investments - ending	\$ 633	\$ 563,698	\$ 714,735	\$ (217,178)	\$ -	\$ -	\$ -	\$ 789	\$ -

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

	Youth As Resources ME/OLC Garden	AEF Grant Remediation Program	Lilly Science Education Grants	Sustaining/ Improving Literacy	Power of Physics HS (HCCF)	Counselors Care Maple Elementary	IFOF AG Resource Grant	Bright House Bright Futures GT	Gordman's Donation Fund
Cash and investments - beginning	\$ 500	\$ -	\$ 41	\$ 2,255	\$ 75	\$ 19	\$ 1,126	\$ -	\$ 389
Receipts:									
Local sources	-	4,000	-	3,958	-	-	-	-	345
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	4,000	-	3,958	-	-	-	-	345
Disbursements:									
Current:									
Instruction	500	3,763	-	3,571	-	19	-	-	-
Support services	-	-	-	-	-	-	-	-	975
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	500	3,763	-	3,571	-	19	-	-	975
Excess (deficiency) of receipts over disbursements	(500)	237	-	387	-	(19)	-	-	(630)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(500)	237	-	387	-	(19)	-	-	(630)
Cash and investments - ending	\$ -	\$ 237	\$ 41	\$ 2,642	\$ 75	\$ -	\$ 1,126	\$ -	\$ (241)

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

	ACSC Literacy Program	ACSC Autism Program - AEF Donation	Duke Energy - Science Grant	Avon Educational Foundation	ACS-HACH HS Chemistry Grant	Invent Now Cedar Science Grant	Vectren Foundation Grant (T Record)	Meggers Project Award AIP	Walmart Grant Freshman Mentoring Program
Cash and investments - beginning	\$ 1,500	\$ -	\$ 91	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	32,839	1,840	300	2,500	5,000	2,000
Intermediate sources	-	-	-	1,088	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	33,927	1,840	300	2,500	5,000	2,000
Disbursements:									
Current:									
Instruction	-	-	-	-	1,840	293	2,500	756	-
Support services	-	-	-	2,161	-	-	-	1,847	-
Noninstructional services	-	-	-	33,164	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	35,325	1,840	293	2,500	2,603	-
Excess (deficiency) of receipts over disbursements	-	-	-	(1,398)	-	7	-	2,397	2,000
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(1,398)	-	7	-	2,397	2,000
Cash and investments - ending	\$ 1,500	\$ -	\$ 91	\$ (1,397)	\$ -	\$ 7	\$ -	\$ 2,397	\$ 2,000

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

	Walmart/Duke Energy Grant Math - HS	Japan Foundation Grant	Independent Colleges of Indiana	MSP Tech Purdue Science Grant	ECA Field Trip Fund	Smiley Face Club	Jerri Inman Scholarship SCHWAB	Gibraltar Citizenship Award	McCalment Scholarship Fund
Cash and investments - beginning	\$ -	\$ -	\$ 34	\$ (79,517)	\$ (48,861)	\$ 137	\$ 8,061	\$ 789	\$ 1,999
Receipts:									
Local sources	1,050	981	-	-	45,059	-	1	-	1,019
Intermediate sources	-	-	-	85,354	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,050</u>	<u>981</u>	<u>-</u>	<u>85,354</u>	<u>45,059</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1,019</u>
Disbursements:									
Current:									
Instruction	-	981	-	5,836	-	-	-	76	-
Support services	-	-	-	-	14,708	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	34	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	2,000	-	1,000
Total disbursements	<u>-</u>	<u>981</u>	<u>34</u>	<u>5,836</u>	<u>14,708</u>	<u>-</u>	<u>2,000</u>	<u>76</u>	<u>1,000</u>
Excess (deficiency) of receipts over disbursements	<u>1,050</u>	<u>-</u>	<u>(34)</u>	<u>79,518</u>	<u>30,351</u>	<u>-</u>	<u>(1,999)</u>	<u>(76)</u>	<u>19</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,050</u>	<u>-</u>	<u>(34)</u>	<u>79,518</u>	<u>30,351</u>	<u>-</u>	<u>(1,999)</u>	<u>(76)</u>	<u>19</u>
Cash and investments - ending	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (18,510)</u>	<u>\$ 137</u>	<u>\$ 6,062</u>	<u>\$ 713</u>	<u>\$ 2,018</u>

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

	R L T Mini-Grant PTLW Enhancement	Hendricks County Substance Abuse	YMCA Latchkey Grant	Outdoor Learning Center	Hendricks County Solid Waste Grant - OLC	Joseph Sugg Foundation	Lions Club Donation	High Ability 2011-2012	High Ability Building Blocks
Cash and investments - beginning	\$ 120	\$ 672	\$ (16,000)	\$ 6,151	\$ -	\$ 540	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	2,620	60,000	31,437	1,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	2,620	60,000	31,437	1,000	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	22,017	982	-	-	-	-
Support services	-	1,328	44,000	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,328	44,000	22,017	982	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	1,292	16,000	9,420	18	-	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,292	16,000	9,420	18	-	-	-	-
Cash and investments - ending	\$ 120	\$ 1,964	\$ -	\$ 15,571	\$ 18	\$ 540	\$ -	\$ -	\$ -

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

	High Ability 2012-2013	High Ability Building Blocks 2013	High Ability Grant Fund 2013-14	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	NESP 2011-2012	NESP 2012-2013	NESP Grant 2013-2014	State Connectivity Grant School Technology
Cash and investments - beginning	\$ 8,829	\$ -	\$ -	\$ 1,413	\$ 778	\$ -	\$ 8,164	\$ -	\$ 28,527
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	633	65,562	-	15,510	-	-	33,685	43,353
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	633	65,562	-	15,510	-	-	33,685	43,353
Disbursements:									
Current:									
Instruction	8,829	8,613	30,074	-	-	-	8,164	23,932	-
Support services	-	6,388	17,755	1,413	13,566	-	-	757	12,413
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	8,829	15,001	47,829	1,413	13,566	-	8,164	24,689	12,413
Excess (deficiency) of receipts over disbursements	(8,829)	(14,368)	17,733	(1,413)	1,944	-	(8,164)	8,996	30,940
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,829)	(14,368)	17,733	(1,413)	1,944	-	(8,164)	8,996	30,940
Cash and investments - ending	\$ -	\$ (14,368)	\$ 17,733	\$ -	\$ 2,722	\$ -	\$ -	\$ 8,996	\$ 59,467

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

	Senator David Ford Technology	Project Lead the Way	CTO Council Sponsorships	Title I 2011-2012	Title I 2012-2013	Title I 2013-2014	West Central Part B 2010-11	Part B Grant 2011-12	Part B Preschool 2011-12
Cash and investments - beginning	\$ -	\$ (1)	\$ 1	\$ -	\$ (6,795)	\$ -	\$ (2)	\$ -	\$ (1)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	10,000	-	-	-	-	-	-	-
Federal sources	-	-	-	-	8,738	261,390	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	10,000	-	-	8,738	261,390	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	1,833	322,162	-	-	-
Support services	-	3,442	-	-	-	20,991	-	-	-
Noninstructional services	-	-	-	-	109	721	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,442	-	-	1,942	343,874	-	-	-
Excess (deficiency) of receipts over disbursements	-	6,558	-	-	6,796	(82,484)	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,558	-	-	6,796	(82,484)	-	-	-
Cash and investments - ending	\$ -	\$ 6,557	\$ 1	\$ -	\$ 1	\$ (82,484)	\$ (2)	\$ -	\$ (1)

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

	Special Education Improvement 2012	Part B 611 Reg Grant 2012-13	Part B 619 Preschool Grant 2012-13	Public Law 101-476 Idea	Part B 611 Reg Grant 2013-14	Part B 619 Preschool Grant 2013-14	Part B Technical Assistance Grant	Medicaid Reimbursement - Federal	IndianaMac Reimbursement PGM Federal
Cash and investments - beginning	\$ -	\$ (122,803)	\$ (4,633)	\$ -	\$ -	\$ -	\$ -	\$ 16,835	\$ 7,816
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	268,512	5,934	24,518	978,523	35,515	11,297	29,046	43,416
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	268,512	5,934	24,518	978,523	35,515	11,297	29,046	43,416
Disbursements:									
Current:									
Instruction	-	145,712	1,300	24,198	1,253,576	39,357	-	-	-
Support services	-	-	-	320	900	-	17,104	24,581	18,639
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	145,712	1,300	24,518	1,254,476	39,357	17,104	24,581	18,639
Excess (deficiency) of receipts over disbursements	-	122,800	4,634	-	(275,953)	(3,842)	(5,807)	4,465	24,777
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	122,800	4,634	-	(275,953)	(3,842)	(5,807)	4,465	24,777
Cash and investments - ending	\$ -	\$ (3)	\$ 1	\$ -	\$ (275,953)	\$ (3,842)	\$ (5,807)	\$ 21,300	\$ 32,593

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

	Title II Part A 2011-13	Title II Part A 2012-14	Title III 2011-12	Title III 2012-13	Title III 2013-14	84.378A Cash for College Grant	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ (2,873)	\$ (3,128)	\$ (8,756)	\$ (42,986)	\$ -	\$ 1,000	\$ 1	\$ 3,650,052	\$ 19,935,489
Receipts:									
Local sources	-	-	-	-	-	-	-	-	40,215,173
Intermediate sources	-	-	-	-	-	-	-	-	103,472
State sources	-	-	-	-	-	-	-	-	50,902,005
Federal sources	96,933	-	8,757	44,037	17,355	-	-	-	3,213,872
Other	-	-	-	-	-	-	-	17,465,163	17,738,414
Total receipts	96,933	-	8,757	44,037	17,355	-	-	17,465,163	112,172,936
Disbursements:									
Current:									
Instruction	-	-	-	(341)	41,027	-	-	-	34,134,149
Support services	92,881	-	-	5,051	914	-	-	-	28,736,667
Noninstructional services	1,179	981	-	-	-	-	-	-	4,109,383
Facilities acquisition and construction	-	-	-	-	-	-	-	-	239,103
Debt services	-	-	-	-	-	-	-	-	25,621,045
Nonprogrammed charges	-	-	-	-	-	-	-	15,784,645	15,983,938
Total disbursements	94,060	981	-	4,710	41,941	-	-	15,784,645	108,824,285
Excess (deficiency) of receipts over disbursements	2,873	(981)	8,757	39,327	(24,586)	-	-	1,680,518	3,348,651
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	292
Transfers in	-	-	-	-	-	-	-	-	1,500,000
Transfers out	-	-	-	-	-	-	-	-	(1,500,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	292
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,873	(981)	8,757	39,327	(24,586)	-	-	1,680,518	3,348,943
Cash and investments - ending	\$ -	\$ (4,109)	\$ 1	\$ (3,659)	\$ (24,586)	\$ 1,000	\$ 1	\$ 5,330,570	\$ 23,284,432

AVON COMMUNITY 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>\$ 2,326,046</u>	<u>\$ 424,485</u>

AVON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Avon 2000 Community School Building Corporation	Building lease	\$ 4,408,000	3/23/2005	1/15/2028
Avon 2000 Community School Building Corporation	Building lease	1,967,300	12/30/1993	1/15/2016
Two Thousand School Building Corporation	Building lease	5,593,673	2/13/2007	1/15/2033
Two Thousand School Building Corporation	Building lease	8,281,675	2/13/2007	1/15/2032
Avon 2000 Community School Building Corporation	Building lease	4,447,353	6/10/1996	1/10/2022
Ricoh	Multi-Functional Business Devices	<u>331,092</u>	7/1/2013	6/30/2014
Total governmental activities		<u>25,029,093</u>		
Total of annual lease payments		<u>\$ 25,029,093</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2005 Pension Bond to eliminate unfunded liability	\$ 2,690,000	\$ 372,362
General obligation bonds	School Severance Bond 2012 to eliminate unfunded liability	3,600,000	507,610
General obligation bonds	Recovery Zone Econmic Developmt Bond for intermediate classrooms	<u>2,000,000</u>	<u>127,563</u>
Total governmental activities		<u>8,290,000</u>	<u>1,007,535</u>
Totals		<u>\$ 8,290,000</u>	<u>\$ 1,007,535</u>

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AVON COMMUNITY 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.

	Ending Balance
Governmental activities:	
Land	\$ 10,117,791
Buildings	246,627,670
Improvements other than buildings	4,086,265
Machinery, equipment, and vehicles	241,587,066
Total governmental activities	502,418,792
Total capital assets	\$ 502,418,792

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE AVON COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Avon Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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 item 2014-001. 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

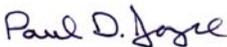
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over 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 and 2014-002 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

May 12, 2016

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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.

AVON COMMUNITY 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
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2013 FY 2014	\$ 153,481 -	\$ - 185,079
Total School Breakfast Program				<u>153,481</u>	<u>185,079</u>
National School Lunch Program	Indiana Department of Education	10.555	FY 2013 FY 2014	1,247,213 -	- 1,375,682
Total - National School Lunch Program				<u>1,247,213</u>	<u>1,375,682</u>
Total - Child Nutrition Cluster				<u>1,400,694</u>	<u>1,560,761</u>
Total - Department of Agriculture				<u>1,400,694</u>	<u>1,560,761</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	12-3315 13-3315 14-3315	40,430 421,129 -	- 8,738 261,344
Total - Title I Grants to Local Educational Agencies				<u>461,559</u>	<u>270,082</u>
Total - Title I, Part A Cluster				<u>461,559</u>	<u>270,082</u>
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027	14212-063-PN01 14213-063-PN01 14214-063-PN01 99914-063-TA01 EDS A58-3-13DL-1412	356,025 1,269,689 - - 34,367	- 268,512 1,061,233 11,945 24,518
Total - Special Education_Grants to States				<u>1,660,081</u>	<u>1,366,208</u>
Special Education_Preschool Grants	Indiana Department of Education	84.173	45712-063-PN01 45713-063-PN01 45714-063-PN01	10,867 35,605 -	- 6,669 35,515
Total - Special Education_Preschool Grants				<u>46,472</u>	<u>42,184</u>
Total - Special Education Cluster (IDEA)				<u>1,706,553</u>	<u>1,408,392</u>

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

AVON COMMUNITY 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 Education (continued)</u>					
English Language Acquisition State Grants Title III/Language Instruction for Limited English Proficient & Immigrant Students	Indiana Department of Education	84.365			
			01112-028-PN01	4,252	8,757
			01113-028-PN01	-	44,037
			01114-028-PN01	-	17,355
Total - English Language Acquisition State Grants				<u>4,252</u>	<u>70,149</u>
Improving Teacher Quality State Grants Title II Part A / Improving Teacher Quality	Indiana Department of Education	84.367			
			S367A110013	-	96,933
College Access Challenge Grant Program	Indiana Department of Education	84.378	042913	1,000	-
Education Jobs Fund	Indiana Department of Education	84.410	S410A100015	46,220	-
Total - Department of Education				<u>2,219,584</u>	<u>1,845,556</u>
<u>Department of Health and Human Services</u>					
Medicaid Cluster					
Medical Assistance Program	Indiana Family and Social Services Administration	93.778			
Medicaid Reimbursement			3315	29,452	29,046
IndianaMAC Reimb Program			3315	7,816	43,416
Total - Medicaid Cluster				<u>37,268</u>	<u>72,462</u>
Total - Department of Health and Human Services				<u>37,268</u>	<u>72,462</u>
Total federal awards expended				<u>\$ 3,657,546</u>	<u>\$ 3,478,779</u>

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

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) 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 SEFA.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 214,809	\$ 207,937

AVON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster
Special Education Cluster

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-001 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years: 12-3315, 13-3315, 14-3315
Pass-Through Entity: Indiana Department of Education

AVON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years: FY 2013, FY 2014
Pass-Through Entity: Indiana Department of Education

The School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The failure to establish an effective internal control system resulted in the School Corporation being in noncompliance with the Allowable Costs/ Cost Principles compliance requirement related to the Title I Grants to Local Educational Agencies program (Title I program) and the School Breakfast Program and the National School Lunch Program (Child Nutrition Cluster).

Semi-Annual Certifications Reports were not prepared for employees paid solely from the Child Nutrition Cluster or the Title I program. Personnel Activity Reports were not prepared for employees paid from various cost objectives including the Child Nutrition Cluster and the Title I program.

OMB A-87, Attachment B, Paragraph 8(h), states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. . . ."

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 the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles requirements. We also recommended that the School Corporation maintain Semi-Annual Certifications Reports and Personnel Activity Reports for all employees paid from these federal programs.

AVON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2014-002 - INTERNAL CONTROLS OVER SPECIAL EDUCATION CLUSTER (IDEA)

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Number): 14212-063-PN01, 45712-063-PN01,
EDS A58-3-13DL-1412,
14213-063-PN01, 45713-063-PN01,
14214-063-PN01, 45714-063-PN01,
99914-063-TA01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the following compliance requirements that have a direct and material effect to the programs: Cash Management, Period of Availability, and Reporting. The failure to establish an effective internal control system placed 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.

The School Corporation submitted requests for reimbursement to the Indiana Department of Education. The School Corporation Treasurer was the only individual involved in the preparation and submission of the requests for reimbursement. There were no controls in place to ensure the reimbursement requests were accurate and the period of availability requirements were met.

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 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.

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 have 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 the School Corporation's management establish controls, including segregation of duties, related to the grant agreements and compliance requirements listed above.

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AUDITEE PREPARED DOCUMENTS

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



7203 EAST U.S. HIGHWAY 36
AVON, IN 46123
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Summary Schedule of Prior Audit Findings

FEDERAL FINDING 2012-1. SPECIAL TESTS AND PROVISIONS

Original Assigned SBA Audit Report Number: B 41883
Report Period: July 1, 2010 – June 30, 2012
Pass-Through or Federal Grantor Agency: United States Department of Agriculture
Contact Person Responsible for Corrective Action: Brock Bowsher
Contact Phone Number: (317) 544-6000 x6014

Status of Audit Finding:
Avon Community School Corporation (ACSC) has implemented and sustained a program to verify eligibility for the National School Lunch Program. Two (2) ACSC staff members review applications and verify eligibility. ACSC verifies eligibility of at least three percent (3%) of the total number of applicants submitted for the National School Lunch Program. ACSC also verifies National School Lunch Program eligibility for cause. ACSC maintains a list of individuals who are verified for eligibility.

FINDING 2012-2. REPORTING

Original Assigned SBA Audit Report Number: B 41883
Report Period: July 1, 2010 – June 30, 2012
Pass-Through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Brock Bowsher
Contact Phone Number: (317) 544-6000 x6014

Status of Audit Finding:
Avon Community School Corporation (ACSC) Grant Specialist position is responsible for Title I reporting to the Indiana Department of Education. ACSC Grant Specialist verifies submittal of quarterly Title I monitoring reports with supporting documentation to ensure correct amounts are reported to the Indiana Department of Education.

FINDING 2012-3 - INTERNAL CONTROLS OVER CASH MANAGEMENT

Original Assigned SBA Audit Report Number: B 41883
Report Period: July 1, 2010 – June 30, 2012
Pass-Through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Brock Bowsher
Contact Phone Number: (317) 544-6000 x6014

Status of Audit Finding:
Avon Community School Corporation (ACSC) Grant Specialist position is responsible for Title I reporting to the Indiana Department of Education. ACSC Grant Specialist verifies submittal of monthly cash reimbursement request forms with supporting documentation to ensure correct amounts are reported to the Indiana Department of Education.

Board of School Trustees

Pamela J. DeWeese
Anne L. Engelhardt
John K. McDavid
David D. Webb
Kimberly L. Woodward

Administration

Superintendent
Margaret E. Hoernemann, Ph.D.
Assistant Superintendents
John F. Atha, Ed.D.
Maryanne B. McMahon, Ph.D.
Director
Brock J. Bowsher

Respectfully Submitted,



Brock J. Bowsher
Director of Finance & Operations
Avon Community School Corporation
Phone: (317) 544-6000 x6014
Fax: (317) 544-6004
bjbowsher@avon-schools.org

CC: Dr. Margaret Hoernemann, Superintendent



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April 21, 2016

Indiana State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204-2765

**AVON COMMUNITY SCHOOL CORPORATION OFFICIAL RESPONSE
TO AUDIT ENDING JUNE 30, 2014**

In response to the Avon Community School Corporation (ACSC) financial audit for the period ending June 30, 2014, please see comments below:

1. FINDING 2014-001

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year: 12-3315, 13-3315, 14-3315
Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education
Federal Program: National School Lunch Program and School Breakfast Program
CFDA Number: 10.555 and 10.553
Federal Award Number and Year: FY 2013 and FY 2014
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action:
Ms. Sheila Glass, Grants Specialist (Title I)
Ms. Emily Cates, Food Service Administrator (National School Breakfast & Lunch Program)
Contact Phone Number: Ms. Sheila Glass 317-544-6000 x6087
Ms. Emily Cates 317-544-6061

Views of Responsible Official: ACSC understands the reasoning for the finding.

Description of Corrective Action Plan:

- ACSC has updated internal Title I processes effective for the 2015-16 school year. ACSC began filing time and effort records for the Title I grant with the October 2015 grant monitoring report. ACSC considers current processes are compliant as of the date of this correspondence.

Board of School Trustees

Pamela J. DeWeese
Anne L. Engelhardt
John K. McDavid
David D. Webb
Kimberly L. Woodward

Administration

Superintendent
Margaret E. Hoernemann, Ph.D.
Assistant Superintendents
John F. Atha, Ed.D.
Maryanne B. McMahan, Ph.D.
Director
Brock J. Bowsher

- The ACSC Food Service Department will complete a semi-annual certification for all food service employees beginning the six-month period of January to June 2016. The document will certify that 100% of food service employee time is for activities authorized by federal child nutrition programs. We were unaware of this requirement but will implement going forward. Attached is the documentation form that will be used.

Anticipated Completion Date: June 2016

2. FINDING 2014-002
EDUCATION CLUSTER

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States and Special
Education_Preschool Grants

CFDA Number: 84.027 and 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-063-
PN01, 45712-063-PN01, EDS A58-3-13DL-1412, 14213-063-PN01, 45713-
063-PN01, 1414-063-PN01, 45714-063-PN01, 9914-063-TA01

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action:

Ms. Sheila Glass, Grants Specialist

Contact Phone Number: Ms. Sheila Glass 317-544-6000 x6087

Views of Responsible Official: ACSC understands the reasoning for the finding.

Description of Corrective Action Plan:

- ACSC updated internal control systems for Special Education Cluster grants once a new grant specialist position was created and hired effective August 2015. The Grant Specialist is responsible for managing all federal, state, and local grants. The Grant Specialist maintains and completes all cash management, reporting compliance requirements, and reimbursement requests. ACSC considers current processes are compliant as of the date of this correspondence.

Anticipated Completion Date: Previously Completed effective August 2015

Respectfully Submitted,



Brock J. Bowsher

Director of Finance & Operations

Avon Community School Corporation

Phone: (317) 544-6000 x6014

Fax: (317) 544-6004

bjbowsher@avon-schools.org

CC: Dr. Margaret Hoernemann, Superintendent

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/>.