

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JAY SCHOOL CORPORATION
JAY COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
09/04/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-34
Schedule of Payables and Receivables	35
Schedule of Leases and Debt	36
Schedule of Capital Assets.....	37
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	40-42
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	44-45
Notes to Schedule of Expenditures of Federal Awards	46
Schedule of Findings and Questioned Costs	47-51
Auditee-Prepared Document:	
Corrective Action Plan	54-56
Other Report	57

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bradley T. DeRome	07-01-12 to 12-31-15
Superintendent of Schools	Dr. Timothy D. Long	07-01-12 to 06-30-15
President of the School Board	Gregory E. Wellman Michael A. Masters	01-01-12 to 12-31-13 01-01-14 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Jay 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.

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 June 1, 2015, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 1, 2015



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON 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 JAY SCHOOL CORPORATION, JAY 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 Jay 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 June 1, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Jay School Corporation's Response to Findings

The School Corporation's response to the 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 the financial statement and, accordingly, we express no opinion on it.

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

June 1, 2015

(This page intentionally left blank.)

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.

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

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 1,223,043	\$ 24,652,813	\$ 24,770,627	\$ 20,069	\$ 1,125,298	\$ 24,622,448	\$ 25,806,393	\$ 1,332,408	\$ 1,273,761
Debt Service	2,033,912	3,884,701	3,699,222	(263,640)	1,955,751	3,973,887	3,643,482	(313,774)	1,972,382
Retirement/Severance Bond Debt Service	534,706	986,325	984,000	-	537,031	1,002,737	979,721	-	560,047
Capital Projects	1,136,134	3,827,479	3,956,945	-	1,006,668	4,334,432	3,884,857	-	1,456,243
School Transportation	379,355	2,254,512	2,393,345	31,516	272,038	2,253,343	2,235,793	-	289,588
School Bus Replacement	796,223	104,240	761,737	-	138,726	80,429	-	(200,000)	19,155
Rainy Day	32,896	-	30,721	25,000	27,175	-	19,433	-	7,742
Retirement/Severance Bond	497,737	768	498,505	-	-	-	-	-	-
School Lunch	145,635	1,599,221	1,642,275	-	102,581	1,596,831	1,610,984	-	88,428
Textbook Rental	669,685	268,626	42,684	207,124	1,102,751	271,988	92,773	(776,226)	505,740
Self-Insurance	1,206,135	5,673,017	6,771,547	-	107,605	6,184,415	5,757,783	-	534,237
Educational License Plates	389	319	427	-	281	282	-	-	563
Early Intervention Grant	12,049	-	7,389	-	4,660	-	4,660	-	-
Early Intervention FY 2011-12	3,635	-	3,635	-	-	-	-	-	-
Early Intervention FY 2012-13	-	65,200	47,203	-	17,997	-	17,987	-	10
Early Intervention FY 2013-14	-	-	-	-	-	68,800	14,080	-	54,720
Patriots Remembered	90	-	-	(90)	-	-	-	-	-
Video Self-Modeling Autism	405	-	-	(405)	-	-	-	-	-
Preschool Instruction Support	3,235	11,933	1,304	-	13,864	14,130	1,514	(23,927)	2,553
Child Development Preschool	5,410	1,350	1,182	-	5,578	1,080	561	(6,097)	-
Elementary Donation	6,387	143,805	149,926	-	266	59,377	38,027	-	21,616
Charity Gaming	-	1,834	1,834	-	-	1,034	1,034	-	-
Miscellaneous Programs	-	505	505	-	-	-	-	-	-
Employee Flu Vaccine	780	1,470	765	-	1,485	1,008	15	-	2,478
Criminal Background Checks	709	3,631	3,522	-	818	3,311	3,323	-	806
Indiana China Initiative	671	50,297	50,082	-	886	-	-	-	886
Foreign Travel Fund	-	78,655	26,747	-	51,908	40,252	83,902	-	8,258
Gifted and Talented FY 2011-12	4,871	-	4,871	-	-	-	-	-	-
Gifted and Talented FY 2012-13	-	37,335	34,317	-	3,018	-	3,018	-	-
Gifted and Talented FY 2013-14	-	-	-	-	-	38,015	13,628	-	24,387
VIE Greenhouse	1,233	3,550	2,499	-	2,284	2,995	2,839	-	2,440
Animal Husbandry	8	-	8	-	-	-	-	-	-
Vocational Ed Instruction Support	232	8,934	5,201	-	3,965	5,450	5,040	-	4,375
Vocational Home Economics	1,234	458	633	-	1,059	81	390	-	750
Adult and Continuing Education	20,574	-	18,190	-	2,384	9,936	10,169	-	2,151
Adult Education State Revenue	-	-	-	-	-	34,655	42,583	-	(7,928)
School Safety Officer FY 2013-14	-	-	-	-	-	-	24,250	-	(24,250)

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

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

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
ECA Coca-Cola	2,795	7,822	8,669	-	1,948	10,138	7,838	-	4,248
Administrative Office Concessions	124	337	454	-	7	-	7	-	-
Non-English Speaking FY 2012-13	-	9,804	9,804	-	-	-	-	-	-
Non-English Speaking	-	-	-	-	-	7,694	7,694	-	-
E-Rate School Technology	16,371	39,049	54,769	-	651	73,021	60,470	-	13,202
Miscellaneous Programs	29	-	-	-	29	-	-	-	29
Title I FY 2011-12	-	134,135	134,135	-	-	-	-	-	-
Title I FY 2012-13	-	713,789	749,576	-	(35,787)	173,008	137,221	-	-
Title I FY 2013-14	-	-	-	-	-	696,119	717,074	-	(20,955)
Tech. Asst. (IDEA, Part B) LEA Capacity Building (Sliver)	-	-	-	-	-	7,593	7,593	-	-
P.L. 105-17 FY 2011-12	184	145,384	145,568	-	-	-	-	-	-
P.L. 105-17 FY 2012-13	-	723,900	764,964	-	(41,064)	136,508	95,444	-	-
P.L. 105-17 FY 2013-14	-	-	-	-	-	729,646	752,757	-	(23,111)
Preschool Handicapped FY 2011-12	1,810	3,152	4,962	-	-	-	-	-	-
Preschool Handicapped FY 2012-13	-	36,795	40,347	-	(3,552)	5,046	1,494	-	-
Preschool Handicapped FY 2013-14	-	-	-	-	-	33,473	35,301	-	(1,828)
Adult Basic Education FY 2011-12	-	4,729	1,895	(2,834)	-	-	-	-	-
Adult Basic Education FY 2012-13	-	29,826	35,588	-	(5,762)	26,963	21,201	-	-
Adult Basic Education FY 2013-14	-	-	-	-	-	3,783	9,113	-	(5,330)
Area 18 Leadership Academy	100	-	100	-	-	-	-	-	-
Area 18 Vocational FY 2012-13	-	70,674	70,674	-	-	-	-	-	-
Area 18 Vocational FY 2013-14	-	-	-	-	-	82,024	82,024	-	-
RIF Book Fund	1,521	3,200	2,963	-	1,758	3,300	2,395	-	2,663
Title II, Part A FY 2010-11	-	-	3,000	3,000	-	-	-	-	-
Title II, Part A FY 2011-12	-	63,435	55,809	(7,626)	-	-	-	-	-
Title II, Part A FY 2012-14	-	113,967	127,814	-	(13,847)	45,685	27,693	(4,145)	-
Title II, Part A FY 2013-15	-	-	-	-	-	49,838	55,333	-	(5,495)
Rural Schools and Low Income Program FY 2012-13	-	19,807	33,867	-	(14,060)	51,694	37,634	-	-
Rural Schools and Low Income Program FY 2013-14	-	-	-	-	-	42,682	28,602	-	14,080
Title III FY 2011-12	-	20,748	20,748	-	-	-	-	-	-
Title III FY 2012-13	-	-	442	-	(442)	22,134	21,692	-	-
Non-English Speaking Computer FY 2013-14	-	-	-	-	-	-	8,642	-	(8,642)
Education Jobs	-	15,426	15,426	-	-	-	-	-	-
Prepaid Food	12,095	532,990	532,637	-	12,448	514,866	509,376	-	17,938
Payroll	81,371	6,945,782	6,951,838	-	75,315	6,886,261	6,854,976	-	106,600
Totals	\$ 8,833,773	\$ 53,295,729	\$ 55,677,897	\$ 12,114	\$ 6,463,719	\$ 54,202,392	\$ 53,779,813	\$ 8,239	\$ 6,894,537

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

JAY 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.

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements 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.

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

JAY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up as reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the Building Corporation of Jay Schools (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 \$2,828,000 and \$2,842,000, respectively.

(This page intentionally left blank.)

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.

JAY 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	School Lunch
Cash and investments - beginning	\$ 1,223,043	\$ 2,033,912	\$ 534,706	\$ 1,136,134	\$ 379,355	\$ 796,223	\$ 32,896	\$ 497,737	\$ 145,635
Receipts:									
Local sources	360,578	3,884,701	986,325	2,927,479	2,254,512	104,240	-	768	589,128
Intermediate sources	456	-	-	-	-	-	-	-	-
State sources	24,291,378	-	-	-	-	-	-	-	15,540
Federal sources	-	-	-	-	-	-	-	-	993,921
Temporary loans	-	-	-	900,000	-	-	-	-	-
Other	401	-	-	-	-	-	-	-	632
Total receipts	24,652,813	3,884,701	986,325	3,827,479	2,254,512	104,240	-	768	1,599,221
Disbursements:									
Current:									
Instruction	16,279,999	-	-	-	-	-	-	497,285	-
Support services	8,051,181	-	-	1,808,174	2,378,680	761,737	30,721	1,220	-
Noninstructional services	422,022	-	-	-	-	-	-	-	1,642,275
Facilities acquisition and construction	-	-	-	1,240,569	14,665	-	-	-	-
Debt services	17,425	3,699,222	984,000	908,202	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	24,770,627	3,699,222	984,000	3,956,945	2,393,345	761,737	30,721	498,505	1,642,275
Excess (deficiency) of receipts over disbursements	(117,814)	185,479	2,325	(129,466)	(138,833)	(657,497)	(30,721)	(497,737)	(43,054)
Other financing sources (uses):									
Sale of capital assets	12,114	-	-	-	-	-	-	-	-
Transfers in	51,333	20,153	-	-	56,516	-	45,000	-	-
Transfers out	(43,378)	(283,793)	-	-	(25,000)	-	(20,000)	-	-
Total other financing sources (uses)	20,069	(263,640)	-	-	31,516	-	25,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(97,745)	(78,161)	2,325	(129,466)	(107,317)	(657,497)	(5,721)	(497,737)	(43,054)
Cash and investments - ending	\$ 1,125,298	\$ 1,955,751	\$ 537,031	\$ 1,006,668	\$ 272,038	\$ 138,726	\$ 27,175	\$ -	\$ 102,581

JAY 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)

	Textbook Rental	Self- Insurance	Educational License Plates	Early Intervention Grant	Early Intervention FY 2011-12	Early Intervention FY 2012-13	Early Intervention FY 2013-14	Patriots Remembered	Video Self-Modeling Autism
Cash and investments - beginning	\$ 669,685	\$ 1,206,135	\$ 389	\$ 12,049	\$ 3,635	\$ -	\$ -	\$ 90	\$ 405
Receipts:									
Local sources	125,826	5,673,017	-	-	-	-	-	-	-
Intermediate sources	-	-	319	-	-	-	-	-	-
State sources	142,800	-	-	-	-	65,200	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>268,626</u>	<u>5,673,017</u>	<u>319</u>	<u>-</u>	<u>-</u>	<u>65,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	13,200	427	-	-	-	-	-	-
Support services	42,684	1,200	-	7,389	3,635	47,203	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	6,757,147	-	-	-	-	-	-	-
Total disbursements	<u>42,684</u>	<u>6,771,547</u>	<u>427</u>	<u>7,389</u>	<u>3,635</u>	<u>47,203</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>225,942</u>	<u>(1,098,530)</u>	<u>(108)</u>	<u>(7,389)</u>	<u>(3,635)</u>	<u>17,997</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	217,024	-	-	-	-	-	-	-	-
Transfers out	(9,900)	-	-	-	-	-	-	(90)	(405)
Total other financing sources (uses)	<u>207,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>(405)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>433,066</u>	<u>(1,098,530)</u>	<u>(108)</u>	<u>(7,389)</u>	<u>(3,635)</u>	<u>17,997</u>	<u>-</u>	<u>(90)</u>	<u>(405)</u>
Cash and investments - ending	<u>\$ 1,102,751</u>	<u>\$ 107,605</u>	<u>\$ 281</u>	<u>\$ 4,660</u>	<u>\$ -</u>	<u>\$ 17,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAY 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)

	Preschool Instruction Support	Child Development Preschool	Elementary Donation	Charity Gaming	Miscellaneous Programs	Employee Flu Vaccine	Criminal Background Checks	Indiana China Initiative	Foreign Travel Fund
Cash and investments - beginning	\$ 3,235	\$ 5,410	\$ 6,387	\$ -	\$ -	\$ 780	\$ 709	\$ 671	\$ -
Receipts:									
Local sources	11,933	1,350	139,806	1,834	505	1,470	3,631	50,297	78,655
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	3,999	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>11,933</u>	<u>1,350</u>	<u>143,805</u>	<u>1,834</u>	<u>505</u>	<u>1,470</u>	<u>3,631</u>	<u>50,297</u>	<u>78,655</u>
Disbursements:									
Current:									
Instruction	1,304	1,182	76,793	-	505	-	3,522	50,082	-
Support services	-	-	73,133	-	-	765	-	-	26,747
Noninstructional services	-	-	-	1,834	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,304</u>	<u>1,182</u>	<u>149,926</u>	<u>1,834</u>	<u>505</u>	<u>765</u>	<u>3,522</u>	<u>50,082</u>	<u>26,747</u>
Excess (deficiency) of receipts over disbursements	<u>10,629</u>	<u>168</u>	<u>(6,121)</u>	<u>-</u>	<u>-</u>	<u>705</u>	<u>109</u>	<u>215</u>	<u>51,908</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	11,194	5,688	26,000	-	-	-	-	-	-
Transfers out	(11,194)	(5,688)	(26,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>10,629</u>	<u>168</u>	<u>(6,121)</u>	<u>-</u>	<u>-</u>	<u>705</u>	<u>109</u>	<u>215</u>	<u>51,908</u>
Cash and investments - ending	<u>\$ 13,864</u>	<u>\$ 5,578</u>	<u>\$ 266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,485</u>	<u>\$ 818</u>	<u>\$ 886</u>	<u>\$ 51,908</u>

JAY 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)

	Gifted and Talented FY 2011-12	Gifted and Talented FY 2012-13	Gifted and Talented FY 2013-14	VIE Greenhouse	Animal Husbandry	Vocational Ed Instruction Support	Vocational Home Economics	Adult and Continuing Education	Adult Education State Revenue
Cash and investments - beginning	\$ 4,871	\$ -	\$ -	\$ 1,233	\$ 8	\$ 232	\$ 1,234	\$ 20,574	\$ -
Receipts:									
Local sources	-	-	-	3,550	-	8,934	458	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	37,335	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	37,335	-	3,550	-	8,934	458	-	-
Disbursements:									
Current:									
Instruction	4,871	34,285	-	2,499	8	5,201	633	18,190	-
Support services	-	32	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,871	34,317	-	2,499	8	5,201	633	18,190	-
Excess (deficiency) of receipts over disbursements	(4,871)	3,018	-	1,051	(8)	3,733	(175)	(18,190)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	2,000	-
Transfers out	-	-	-	-	-	-	-	(2,000)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,871)	3,018	-	1,051	(8)	3,733	(175)	(18,190)	-
Cash and investments - ending	\$ -	\$ 3,018	\$ -	\$ 2,284	\$ -	\$ 3,965	\$ 1,059	\$ 2,384	\$ -

JAY 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)

	School Safety Officer FY 2013-14	ECA Coca-Cola	Administrative Office Concessions	Non-English Speaking FY 2012-13	Non-English Speaking	E-Rate School Technology	Miscellaneous Programs	Title I FY 2011-12	Title I FY 2012-13
Cash and investments - beginning	\$ -	\$ 2,795	\$ 124	\$ -	\$ -	\$ 16,371	\$ 29	\$ -	\$ -
Receipts:									
Local sources	-	7,822	337	-	-	34,732	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	9,804	-	4,317	-	-	-
Federal sources	-	-	-	-	-	-	-	134,135	713,789
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	7,822	337	9,804	-	39,049	-	134,135	713,789
Disbursements:									
Current:									
Instruction	-	-	-	9,804	-	-	-	118,080	696,092
Support services	-	-	454	-	-	54,769	-	11,500	51,759
Noninstructional services	-	8,669	-	-	-	-	-	4,555	1,725
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	8,669	454	9,804	-	54,769	-	134,135	749,576
Excess (deficiency) of receipts over disbursements	-	(847)	(117)	-	-	(15,720)	-	-	(35,787)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	9,900
Transfers out	-	-	-	-	-	-	-	-	(9,900)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(847)	(117)	-	-	(15,720)	-	-	(35,787)
Cash and investments - ending	\$ -	\$ 1,948	\$ 7	\$ -	\$ -	\$ 651	\$ 29	\$ -	\$ (35,787)

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

	Title I FY 2013-14	Tech. Asst. (IDEA, Part B) LEA Capacity Building (Sliver) Grants	P.L. 105-17 FY 2011-12	P.L. 105-17 FY 2012-13	P.L. 105-17 FY 2013-14	Preschool Handicapped FY 2011-12	Preschool Handicapped FY 2012-13	Preschool Handicapped FY 2013-14	Adult Basic Education FY 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ 184	\$ -	\$ -	\$ 1,810	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	145,384	723,900	-	3,152	36,795	-	4,729
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	145,384	723,900	-	3,152	36,795	-	4,729
Disbursements:									
Current:									
Instruction	-	-	121,565	592,262	-	4,962	40,347	-	1,895
Support services	-	-	24,003	172,702	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	145,568	764,964	-	4,962	40,347	-	1,895
Excess (deficiency) of receipts over disbursements	-	-	(184)	(41,064)	-	(1,810)	(3,552)	-	2,834
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(2,834)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(2,834)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(184)	(41,064)	-	(1,810)	(3,552)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (41,064)	\$ -	\$ -	\$ (3,552)	\$ -	\$ -

JAY 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)

	Adult Basic Education FY 2012-13	Adult Basic Education FY 2013-14	Area 18 Leadership Academy	Area 18 Vocational FY 2012-13	Area 18 Vocational FY 2013-14	RIF Book Fund	Title II, Part A FY 2010-11	Title II, Part A FY 2011-12	Title II, Part A FY 2012-14	Title II, Part A FY 2013-15	Rural Schools and Low Income Program FY 2012-13
Cash and investments - beginning	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ 1,521	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	3,200	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	29,826	-	-	70,674	-	-	-	63,435	113,967	-	19,807
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	29,826	-	-	70,674	-	3,200	-	63,435	113,967	-	19,807
Disbursements:											
Current:											
Instruction	29,484	-	100	70,674	-	-	3,000	47,809	127,814	-	60
Support services	-	-	-	-	-	2,963	-	8,000	-	-	33,807
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	6,104	-	-	-	-	-	-	-	-	-	-
Total disbursements	35,588	-	100	70,674	-	2,963	3,000	55,809	127,814	-	33,867
Excess (deficiency) of receipts over disbursements	(5,762)	-	(100)	-	-	237	(3,000)	7,626	(13,847)	-	(14,060)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	4,834	-	-	-	-	-	3,000	-	-	-	-
Transfers out	(4,834)	-	-	-	-	-	-	(7,626)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	3,000	(7,626)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,762)	-	(100)	-	-	237	-	-	(13,847)	-	(14,060)
Cash and investments - ending	\$ (5,762)	\$ -	\$ -	\$ -	\$ -	\$ 1,758	\$ -	\$ -	\$ (13,847)	\$ -	\$ (14,060)

JAY 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)

	Rural Schools and Low Income Program FY 2013-14	Title III FY 2011-12	Title III FY 2012-13	Non-English Speaking Computer FY 2013-14	Education Jobs	Prepaid Food	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,095	\$ 81,371	\$ 8,833,773
Receipts:								
Local sources	-	-	-	-	-	-	-	17,255,088
Intermediate sources	-	-	-	-	-	-	-	775
State sources	-	-	-	-	-	-	-	24,566,374
Federal sources	-	20,748	-	-	15,426	-	-	3,093,687
Temporary loans	-	-	-	-	-	-	-	900,000
Other	-	-	-	-	-	532,990	6,945,782	7,479,805
Total receipts	-	20,748	-	-	15,426	532,990	6,945,782	53,295,729
Disbursements:								
Current:								
Instruction	-	20,748	-	-	15,426	-	-	18,890,108
Support services	-	-	442	-	-	-	-	13,594,900
Noninstructional services	-	-	-	-	-	-	-	2,081,080
Facilities acquisition and construction	-	-	-	-	-	-	-	1,255,234
Debt services	-	-	-	-	-	-	-	5,608,849
Nonprogrammed charges	-	-	-	-	-	532,637	6,951,838	14,247,726
Total disbursements	-	20,748	442	-	15,426	532,637	6,951,838	55,677,897
Excess (deficiency) of receipts over disbursements	-	-	(442)	-	-	353	(6,056)	(2,382,168)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	12,114
Transfers in	-	-	-	-	-	-	-	509,311
Transfers out	-	-	-	-	-	-	-	(509,311)
Total other financing sources (uses)	-	-	-	-	-	-	-	12,114
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(442)	-	-	353	(6,056)	(2,370,054)
Cash and investments - ending	\$ -	\$ -	\$ (442)	\$ -	\$ -	\$ 12,448	\$ 75,315	\$ 6,463,719

JAY 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	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 1,125,298	\$ 1,955,751	\$ 537,031	\$ 1,006,668	\$ 272,038	\$ 138,726	\$ 27,175	\$ -	\$ 102,581	\$ 1,102,751	\$ 107,605
Receipts:											
Local sources	364,708	3,973,887	1,002,737	3,234,432	2,253,343	80,429	-	-	572,554	125,553	6,184,415
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	24,257,740	-	-	-	-	-	-	-	13,829	146,435	-
Federal sources	-	-	-	-	-	-	-	-	1,005,953	-	-
Temporary loans	-	-	-	1,100,000	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	4,495	-	-
Total receipts	<u>24,622,448</u>	<u>3,973,887</u>	<u>1,002,737</u>	<u>4,334,432</u>	<u>2,253,343</u>	<u>80,429</u>	<u>-</u>	<u>-</u>	<u>1,596,831</u>	<u>271,988</u>	<u>6,184,415</u>
Disbursements:											
Current:											
Instruction	17,544,629	-	-	-	-	-	-	-	-	-	14,550
Support services	7,820,776	-	-	1,680,049	2,229,493	-	19,433	-	-	92,773	835
Noninstructional services	423,563	-	-	-	-	-	-	-	1,610,984	-	-
Facilities acquisition and construction	-	-	-	1,313,010	6,300	-	-	-	-	-	-
Debt services	17,425	3,643,482	979,721	891,798	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	5,742,398
Total disbursements	<u>25,806,393</u>	<u>3,643,482</u>	<u>979,721</u>	<u>3,884,857</u>	<u>2,235,793</u>	<u>-</u>	<u>19,433</u>	<u>-</u>	<u>1,610,984</u>	<u>92,773</u>	<u>5,757,783</u>
Excess (deficiency) of receipts over disbursements	<u>(1,183,945)</u>	<u>330,405</u>	<u>23,016</u>	<u>449,575</u>	<u>17,550</u>	<u>80,429</u>	<u>(19,433)</u>	<u>-</u>	<u>(14,153)</u>	<u>179,215</u>	<u>426,632</u>
Other financing sources (uses):											
Sale of capital assets	8,239	-	-	-	-	-	-	-	-	-	-
Transfers in	1,604,169	-	-	75,000	205,000	-	-	-	-	223,774	-
Transfers out	(280,000)	(313,774)	-	(75,000)	(205,000)	(200,000)	-	-	-	(1,000,000)	-
Total other financing sources (uses)	<u>1,332,408</u>	<u>(313,774)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(776,226)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>148,463</u>	<u>16,631</u>	<u>23,016</u>	<u>449,575</u>	<u>17,550</u>	<u>(119,571)</u>	<u>(19,433)</u>	<u>-</u>	<u>(14,153)</u>	<u>(597,011)</u>	<u>426,632</u>
Cash and investments - ending	<u>\$ 1,273,761</u>	<u>\$ 1,972,382</u>	<u>\$ 560,047</u>	<u>\$ 1,456,243</u>	<u>\$ 289,588</u>	<u>\$ 19,155</u>	<u>\$ 7,742</u>	<u>\$ -</u>	<u>\$ 88,428</u>	<u>\$ 505,740</u>	<u>\$ 534,237</u>

JAY 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)

	Educational License Plates	Early Intervention Grant	Early Intervention FY 2011-12	Early Intervention FY 2012-13	Early Intervention FY 2013-14	Patriots Remembered	Video Self-Modeling Autism	Preschool Instruction Support	Child Development Preschool	Elementary Donation
Cash and investments - beginning	\$ 281	\$ 4,660	\$ -	\$ 17,997	\$ -	\$ -	\$ -	\$ 13,864	\$ 5,578	\$ 266
Receipts:										
Local sources	-	-	-	-	-	-	-	14,130	1,080	59,377
Intermediate sources	282	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	68,800	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	282	-	-	-	68,800	-	-	14,130	1,080	59,377
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	1,514	561	23,105
Support services	-	4,660	-	17,987	14,080	-	-	-	-	14,922
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,660	-	17,987	14,080	-	-	1,514	561	38,027
Excess (deficiency) of receipts over disbursements	282	(4,660)	-	(17,987)	54,720	-	-	12,616	519	21,350
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(23,927)	(6,097)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(23,927)	(6,097)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	282	(4,660)	-	(17,987)	54,720	-	-	(11,311)	(5,578)	21,350
Cash and investments - ending	\$ 563	\$ -	\$ -	\$ 10	\$ 54,720	\$ -	\$ -	\$ 2,553	\$ -	\$ 21,616

JAY 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)

	Charity Gaming	Miscellaneous Programs	Employee Flu Vaccine	Criminal Background Checks	Indiana China Initiative	Foreign Travel Fund	Gifted and Talented FY 2011-12	Gifted and Talented FY 2012-13	Gifted and Talented FY 2013-14	VIE Greenhouse
Cash and investments - beginning	\$ -	\$ -	\$ 1,485	\$ 818	\$ 886	\$ 51,908	\$ -	\$ 3,018	\$ -	\$ 2,284
Receipts:										
Local sources	1,034	-	1,008	3,311	-	40,252	-	-	-	2,995
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	38,015	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	1,034	-	1,008	3,311	-	40,252	-	-	38,015	2,995
Disbursements:										
Current:										
Instruction	-	-	-	3,323	-	350	-	2,429	13,628	2,839
Support services	-	-	15	-	-	83,552	-	589	-	-
Noninstructional services	1,034	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,034	-	15	3,323	-	83,902	-	3,018	13,628	2,839
Excess (deficiency) of receipts over disbursements	-	-	993	(12)	-	(43,650)	-	(3,018)	24,387	156
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	-	-	993	(12)	-	(43,650)	-	(3,018)	24,387	156
Cash and investments - ending	\$ -	\$ -	\$ 2,478	\$ 806	\$ 886	\$ 8,258	\$ -	\$ -	\$ 24,387	\$ 2,440

JAY 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)

	Animal Husbandry	Vocational Ed Instruction Support	Vocational Home Economics	Adult and Continuing Education	Adult Education State Revenue	School Safety Officer FY 2013-14	ECA Coca-Cola	Administrative Office Concessions	Non-English Speaking FY 2012-13	Non-English Speaking	E-Rate School Technology
Cash and investments - beginning	\$ -	\$ 3,965	\$ 1,059	\$ 2,384	\$ -	\$ -	\$ 1,948	\$ 7	\$ -	\$ -	\$ 651
Receipts:											
Local sources	-	5,450	81	9,936	-	-	10,138	-	-	-	68,881
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	34,655	-	-	-	-	7,694	4,140
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	5,450	81	9,936	34,655	-	10,138	-	-	7,694	73,021
Disbursements:											
Current:											
Instruction	-	5,040	390	10,169	42,583	24,250	-	-	-	7,694	-
Support services	-	-	-	-	-	-	-	7	-	-	60,470
Noninstructional services	-	-	-	-	-	-	7,838	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,040	390	10,169	42,583	24,250	7,838	7	-	7,694	60,470
Excess (deficiency) of receipts over disbursements	-	410	(309)	(233)	(7,928)	(24,250)	2,300	(7)	-	-	12,551
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	-	410	(309)	(233)	(7,928)	(24,250)	2,300	(7)	-	-	12,551
Cash and investments - ending	\$ -	\$ 4,375	\$ 750	\$ 2,151	\$ (7,928)	\$ (24,250)	\$ 4,248	\$ -	\$ -	\$ -	\$ 13,202

JAY 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)

	Miscellaneous Programs	Title I FY 2011-12	Title I FY 2012-13	Title I FY 2013-14	Tech. Asst. (IDEA, Part B) LEA Capacity Building (Sliver) Grants	P.L. 105-17 FY 2011-12	P.L. 105-17 FY 2012-13	P.L. 105-17 FY 2013-14	Preschool Handicapped FY 2011-12	Preschool Handicapped FY 2012-13	Preschool Handicapped FY 2013-14
Cash and investments - beginning	\$ 29	\$ -	\$ (35,787)	\$ -	\$ -	\$ -	\$ (41,064)	\$ -	\$ -	\$ (3,552)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	173,008	696,119	7,593	-	136,508	729,646	-	5,046	33,473
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	173,008	696,119	7,593	-	136,508	729,646	-	5,046	33,473
Disbursements:											
Current:											
Instruction	-	-	83,269	636,806	-	-	84,614	622,606	-	1,494	35,301
Support services	-	-	53,952	74,910	7,593	-	10,830	130,151	-	-	-
Noninstructional services	-	-	-	5,358	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	137,221	717,074	7,593	-	95,444	752,757	-	1,494	35,301
Excess (deficiency) of receipts over disbursements	-	-	35,787	(20,955)	-	-	41,064	(23,111)	-	3,552	(1,828)
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	-	-	35,787	(20,955)	-	-	41,064	(23,111)	-	3,552	(1,828)
Cash and investments - ending	\$ 29	\$ -	\$ -	\$ (20,955)	\$ -	\$ -	\$ -	\$ (23,111)	\$ -	\$ -	\$ (1,828)

JAY 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)

	Adult Basic Education FY 2011-12	Adult Basic Education FY 2012-13	Adult Basic Education FY 2013-14	Area 18 Leadership Academy	Area 18 Vocational FY 2012-13	Area 18 Vocational FY 2013-14	RIF Book Fund	Title II, Part A FY 2010-11	Title II, Part A FY 2011-12	Title II, Part A FY 2012-14	Title II, Part A FY 2013-15
Cash and investments - beginning	\$ -	\$ (5,762)	\$ -	\$ -	\$ -	\$ -	\$ 1,758	\$ -	\$ -	\$ (13,847)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	3,300	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	26,963	3,783	-	-	82,024	-	-	-	45,685	49,838
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	26,963	3,783	-	-	82,024	3,300	-	-	45,685	49,838
Disbursements:											
Current:											
Instruction	-	21,201	8,302	-	-	82,024	-	-	-	27,693	55,333
Support services	-	-	-	-	-	-	2,395	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	811	-	-	-	-	-	-	-	-
Total disbursements	-	21,201	9,113	-	-	82,024	2,395	-	-	27,693	55,333
Excess (deficiency) of receipts over disbursements	-	5,762	(5,330)	-	-	-	905	-	-	17,992	(5,495)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(4,145)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(4,145)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,762	(5,330)	-	-	-	905	-	-	13,847	(5,495)
Cash and investments - ending	\$ -	\$ -	\$ (5,330)	\$ -	\$ -	\$ -	\$ 2,663	\$ -	\$ -	\$ -	\$ (5,495)

JAY 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)

	Rural Schools and Low Income Program FY 2012-13	Rural Schools and Low Income Program FY 2013-14	Title III FY 2011-12	Title III FY 2012-13	Non-English Speaking Computer FY 2013-14	Education Jobs	Prepaid Food	Payroll	Totals
Cash and investments - beginning	\$ (14,060)	\$ -	\$ -	\$ (442)	\$ -	\$ -	\$ 12,448	\$ 75,315	\$ 6,463,719
Receipts:									
Local sources	-	-	-	-	-	-	-	-	18,013,031
Intermediate sources	-	-	-	-	-	-	-	-	282
State sources	-	-	-	-	-	-	-	-	24,571,308
Federal sources	51,694	42,682	-	22,134	-	-	-	-	3,112,149
Temporary loans	-	-	-	-	-	-	-	-	1,100,000
Other	-	-	-	-	-	-	514,866	6,886,261	7,405,622
Total receipts	<u>51,694</u>	<u>42,682</u>	<u>-</u>	<u>22,134</u>	<u>-</u>	<u>-</u>	<u>514,866</u>	<u>6,886,261</u>	<u>54,202,392</u>
Disbursements:									
Current:									
Instruction	4,000	-	-	21,562	8,360	-	-	-	19,389,619
Support services	33,634	28,602	-	130	282	-	-	-	12,382,120
Noninstructional services	-	-	-	-	-	-	-	-	2,048,777
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,319,310
Debt services	-	-	-	-	-	-	-	-	5,532,426
Nonprogrammed charges	-	-	-	-	-	-	509,376	6,854,976	13,107,561
Total disbursements	<u>37,634</u>	<u>28,602</u>	<u>-</u>	<u>21,692</u>	<u>8,642</u>	<u>-</u>	<u>509,376</u>	<u>6,854,976</u>	<u>53,779,813</u>
Excess (deficiency) of receipts over disbursements	<u>14,060</u>	<u>14,080</u>	<u>-</u>	<u>442</u>	<u>(8,642)</u>	<u>-</u>	<u>5,490</u>	<u>31,285</u>	<u>422,579</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	8,239
Transfers in	-	-	-	-	-	-	-	-	2,107,943
Transfers out	-	-	-	-	-	-	-	-	(2,107,943)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,239</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>14,060</u>	<u>14,080</u>	<u>-</u>	<u>442</u>	<u>(8,642)</u>	<u>-</u>	<u>5,490</u>	<u>31,285</u>	<u>430,818</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 14,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,642)</u>	<u>\$ -</u>	<u>\$ 17,938</u>	<u>\$ 106,600</u>	<u>\$ 6,894,537</u>

JAY 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>\$ 882,654</u>	<u>\$ 437,470</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Public Holding Building Corp	Lease Rental	\$ 1,463,000	6/27/2001	1/15/2027
Public Holding Building Corp	Lease Rental	<u>1,403,000</u>	1/15/2006	7/15/2027
Total of annual lease payments		<u>\$ 2,866,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General Obligation Bonds	General Obligation Bonds	\$ 400,000	\$ 421,200
Notes and Loans Payable	Bond Bank Temporary Loan	1,100,000	1,107,664
Notes and Loans Payable	Energy Savings Loan HVAC ee rk wl 2011	1,696,839	181,888
Notes and Loans Payable	School Bus Loan	334,911	172,051
Notes and Loans Payable	Energy Savings Loan HVAC wjms 2012	1,384,370	128,710
Notes and Loans Payable	Common School Loan	388,414	94,118
Notes and Loans Payable	Pension Bonds	<u>7,940,000</u>	<u>983,542</u>
Totals		<u>\$ 13,244,534</u>	<u>\$ 3,089,173</u>

JAY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2014

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 712,287
Buildings	59,905,665
Improvements other than buildings	3,474,568
Machinery, equipment, and vehicles	<u>8,529,557</u>
Total capital assets	<u>\$ 72,622,077</u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

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

Report on Compliance for Each Major Federal Program

We have audited the Jay 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.

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2014-002 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to this program.

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

Basis for Qualified Opinion on Title I, Part A Cluster

As described in item 2014-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles that are applicable to its Title I, Part A Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to this program.

Qualified Opinion on Title I, Part A Cluster and Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraphs, 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 Title I, Part A Cluster and Special Education Cluster (IDEA) for the period of July 1, 2012 to June 30, 2014.

Other 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 2014-002 and 2014-003 to be material weaknesses.

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

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

June 1, 2015

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.

JAY 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			
			FY12-13	\$ 172,909	\$ -
			FY13-14	-	155,332
Total - School Breakfast Program				<u>172,909</u>	<u>155,332</u>
National School Lunch Program	Indiana Department of Education	10.555			
			FY12-13	916,568	-
			FY13-14	-	931,384
Total - National School Lunch Program				<u>916,568</u>	<u>931,384</u>
Summer Food Service Program for Children	Indiana Department of Education	10.559			
			FY12-13	29,718	-
			FY13-14	-	39,111
Total - Summer Food Service Program for Children				<u>29,718</u>	<u>39,111</u>
Total - Child Nutrition Cluster				<u>1,119,195</u>	<u>1,125,827</u>
Total - Department of Agriculture				<u>1,119,195</u>	<u>1,125,827</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			12-3945	134,136	-
			13-3945	713,790	173,008
			14-3945	-	696,117
Total - Title I, Part A Cluster				<u>847,926</u>	<u>869,125</u>
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
			14212-031-PN01	145,384	-
			14213-031-PN01	723,902	136,507
			14214-031-PN01	-	729,646
			99914-031-TA01	-	7,592
Total - Special Education_Grants to States				<u>869,286</u>	<u>873,745</u>
Special Education_Preschool Grants	Indiana Department of Education	84.173			
			45712-031-PN01	3,153	-
			45713-031-PN01	36,795	5,046
			45714-031-PN01	-	33,473
Total - Special Education_Preschool Grants				<u>39,948</u>	<u>38,519</u>
Total - Special Education Cluster (IDEA)				<u>909,234</u>	<u>912,264</u>

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

JAY 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>					
Adult Education - Basic Grants to States	New Castle Community School Corporation	84.002	FY-11-12 C1-2-AE-1-25 C1-4-AE-3-25	4,728 29,826 -	- 26,962 3,782
Total - Adult Education - Basic Grants to States				<u>34,554</u>	<u>30,744</u>
Career and Technical Education - Basic Grants to States	Bluffton-Harrison Metropolitan School District	84.048	12-4700-8445 13-4700-8445	74,673 -	- 82,024
Total - Career and Technical Education - Basic Grants to States				<u>74,673</u>	<u>82,024</u>
Rural Education	Indiana Department of Education	84.358	FY 12-13 FY 13-14	19,808 -	51,693 42,682
Total - Rural Education				<u>19,808</u>	<u>94,375</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365	01112-032-PN01 01113-104-PN01	20,748 -	- 22,134
Total - English Language Acquisition State Grants				<u>20,748</u>	<u>22,134</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	11-3945 12-3945 13-3945	63,435 113,967 -	- 45,685 49,838
Total - Improving Teacher Quality State Grants				<u>177,402</u>	<u>95,523</u>
Education Jobs Fund	Indiana Department of Education	84.410	11-3945	15,426	-
Total - Department of Education				<u>2,099,771</u>	<u>2,106,189</u>
Total federal awards expended				<u>\$ 3,218,966</u>	<u>\$ 3,232,016</u>

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

JAY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	For the Year Ended June 30, 2013	For the Year Ended June 30, 2014
Child Nutrition Cluster: Food Commodities: National School Lunch Program	10.555	\$ <u>125,274</u>	\$ <u>119,874</u>

JAY 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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

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:	Qualified
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 _____

Title I, Part A Cluster
Special Education Cluster (IDEA)

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

FINDING 2014-001 - INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal controls in place that operates effectively, material misstatements of the SEFA could remain undetected.

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

During the audit of the SEFA, we noted the School Corporation had failed to report any expenditures for the FY 2012/2013 SEFA. Audit adjustments totaling \$3,218,966 were proposed, accepted by the School Corporation, and made to the FY 2012/2013 SEFA presented in this report. The FY 2013/2014 SEFA had not reported \$155,332 in expenditures for School Breakfast Program, not reported \$931,384 in expenditures for National School Lunch Program; not reported \$39,111 in expenditures for Summer Food Service Program for Children; underreported \$33,473 in expenditures for Special Education_Preschool Grants; underreported \$173,008 in expenditures for Title I Grants to Local Educational Agencies; and incorrectly included \$66,720 of non-federal expenditures. Audit adjustments totaling \$1,265,588 were proposed, accepted by the School Corporation, and made to the 2013/2014 SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to sub-recipients from each Federal program.

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

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-031-PN01, 14213-031-PN01, 14214-031-PN01, 99914-031-TA01, 45712-031-PN01, 45713-031-PN01, and 45714-031-PN01

Pass-Through Entity: Indiana Department of Education

The School Corporation has not established an effective internal control system over the compliance requirement for Allowable Costs/Cost Principles that has a direct and material effect on its Special Education_Grants to States and Special Education_Preschool Grants. The failure to establish an effective internal control system places the School Corporation at risk of material noncompliance.

The School Corporation failed to maintain the necessary documentation relating to time and effort. Time and effort logs should be maintained to help ensure that payments were properly allocated between federal and non-federal funds as required.

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."

OMB Circular A-87, Attachment B, item 8h, 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 semi-annually and will be signed by the employee or supervisory official having firsthand 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. Such documentary support will be required where employees work on:

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

- (a) More than one federal award,
- (b) A Federal award and a non-federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity."

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

We recommended that School Corporation officials establish procedures that relate to the grant agreement and compliance requirements listed above.

FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 12-3945, 13-3945, 14-3945
Pass-Through Entity: Indiana Department of Education

The School Corporation has not established an effective internal control system over the compliance requirement for Allowable Costs/Cost Principles that has a direct and material effect on its Title I Grants to Local Educational Agencies. The failure to establish an effective internal control system places the School Corporation at risk of material noncompliance.

The School Corporation failed to maintain the necessary documentation relating to time and effort. Time and effort logs should be maintained to help ensure that payments were properly allocated between federal and non-federal funds as required.

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."

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

OMB Circular A-87, Attachment B, item 8h, 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 semi-annually and will be signed by the employee or supervisory official having firsthand 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. Such documentary support will be required where employees work on:
- (a) More than one federal award,
 - (b) A Federal award and a non-federal award,
 - (c) An indirect cost activity and a direct cost activity,
 - (d) Two or more indirect activities which are allocated using different allocation bases, or
 - (e) An unallowable activity and a direct or indirect cost activity."

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

We recommended that School Corporation officials establish procedures that relate to the grant agreement and compliance requirements listed above.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

The Jay School Corporation
1976 W. Tyson Road - P.O. Box 1239 - Portland, IN 47371
Phone: 260-726-9341 Fax: 260-726-4959

Date: June 1, 2015

To: State Board of Accounts

Corrective Action Plan

Finding 2014-001 – Internal Controls

Contact Person Responsible for Corrective Action: Brad DeRome, Business Manager / Treasurer

Contact Phone Number : 260-726-9341

Description of Corrective Action Plan

Each year a list of all federal awards will be compiled with the assistance of the Deputy Treasurer, Special Ed Director, Food Service Director, Superintendent, and the Title 1 Coordinator.

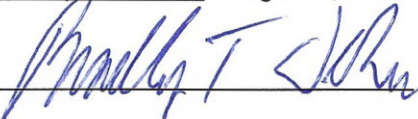
The Business Manager will prepare the Schedule of Expenditures for Federal Awards with the assistance of the Deputy Treasurer as required at the end of each fiscal year. The Deputy Treasurer will be provided with the list of all federal awards for the fiscal year and will review all of the documentation supporting the Schedule's content for accuracy and completeness prior to the Schedule's submission.

At present time, this required Schedule of Expenditures of Federal Awards is a " Gateway " on line report through the State of Indiana web portal. The Business Manager will seek the instructions, requirements, and deadlines for this on – line report process.

The goal is to have the reports compiled on a timely basis and entered into the Gateway System.

The State of Indiana DLGF, and State Board of Accounts should also share in the goal of improving the communication of the required timely instructions for the preparation, entry, and compilation of the said reports included in this action plan during the upcoming new audit period.

Anticipated Completion Date: August 1, 2015



Bradley T. DeRome, Business Manager / Treasurer

Date 6-1-2015

Corrective Action Plan

Finding 2014-002 – Allowable costs/Cost Principles

Contact Person Responsible for Corrective Action: Brad DeRome, Business Manager / Treasurer

Contact Phone Number : 260-726-9341

Description of Corrective Action Plan

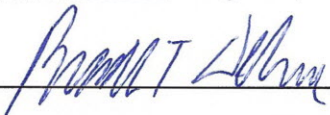
Each year a list of all federal awards for Special Education (IDEA –Part B) and Special Education – Preschool Grants (IDEA Preschool) will be compiled by the Deputy Treasurer with the assistance of the Business Manager, Special Ed Director, Superintendent, and Title 1 Coordinator.

The Business Manager will review the list of federal awards, along with the Deputy Treasurer, Payroll Coordinator, Special Ed Director, Superintendent, and Title 1 Coordinator for those specific programs that will have employees that will be paid from said federal awards.

Once the federal awards and employees are identified, they will be accounted for according to the federal requirements for compliance. The employee activity for time and effort logs will be maintained to support the federal award by the Deputy Treasurer. The Payroll Coordinator will pay the said employees per the federal award guidelines based upon approved time and effort logs towards the approved programs.

These employees paid from the various federal awards will be supported by periodic certification of their time and effort logs by their supervisors.

Anticipated Completion Date: August 1, 2015



Bradley T. DeRome, Business Manager / Treasurer

Date _____ 6-1-2015

Corrective Action Plan

Finding 2014-003 – Allowable costs/Cost Principles

Contact Person Responsible for Corrective Action: Brad DeRome, Business Manager / Treasurer

Contact Phone Number : 260-726-9341

Description of Corrective Action Plan

Each year a list of all federal awards for Title 1 will be compiled by the Deputy Treasurer with the assistance of the Business Manager, Special Ed Director, Superintendent, and Title 1 Coordinator.

The Business Manager will review the list of federal awards for Title 1, along with the Deputy Treasurer, Payroll Coordinator, Special Ed Director, Superintendent, and Title 1 Coordinator for those specific programs that will have employees that will be paid from said Title 1 federal awards.

Once the federal awards and employees are identified, they will be accounted for according to the federal requirements for compliance. The employee activity for time and effort logs will be maintained to support the federal award by the Deputy Treasurer. The Payroll Coordinator will pay the said employees per the federal award guidelines based upon approved time and effort logs towards the approved programs.

These employees paid from the various Title 1 federal awards will be supported by periodic certification of their time and effort logs by their supervisors.

Anticipated Completion Date: August 1, 2015



Bradley T. DeRome, Business Manager / Treasurer

Date _____ 6-1-2015

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.