

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FAYETTE COUNTY SCHOOL CORPORATION
FAYETTE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/23/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Finance/Treasurer	Jane Kellam-Tollett	07-01-13 to 06-30-18
Superintendent of Schools	Dr. Russell Hodges Scott Collins	07-01-13 to 01-31-17 02-01-17 to 06-30-18
President of the School Board	Ralph Burchett Leslie Jacobs	07-01-13 to 12-31-16 01-01-17 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Fayette County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from 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 to 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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 August 30, 2017, 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

August 30, 2017



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

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE 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 Fayette County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 30, 2017, 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 a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation'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 2015-001 to be a material weakness.

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

Fayette County 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

August 30, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments		Disbursements	Other Financing Sources (Uses)		Cash and Investments		Other Financing Sources (Uses)		Cash and Investments	
	07-01-13	Receipts		06-30-14	Receipts	Disbursements	06-30-15				
General	\$ 4,612,442	\$ 24,709,226	\$ 23,476,858	\$ (4,124)	\$ 5,840,686	\$ 24,499,761	\$ 22,902,916	\$ 140,953	\$ 7,578,484		
Debt Service	793,249	1,837,497	1,936,704	(60,015)	634,027	1,782,183	1,737,210	(46,428)	632,572		
Retirement/Severance Bond Debt Service	79,918	213,967	216,608	-	77,277	197,834	212,634	-	62,477		
Capital Projects	1,319,609	2,910,378	2,439,023	100	1,791,064	2,720,701	3,024,045	-	1,487,720		
School Transportation	2,272,973	2,285,470	1,915,362	(469,875)	2,173,206	2,307,190	1,970,819	(495,369)	2,014,208		
School Bus Replacement	546,147	372,915	471,934	-	447,128	331,021	292,558	-	485,591		
Rainy Day	5,782,611	-	563,366	500,000	5,719,245	-	333,074	500,000	5,886,171		
Retirement/Severance Bond	177,088	-	-	-	177,088	-	-	-	177,088		
Post-Retirement/Severance Future Benefits	292,825	828	69,042	57,931	282,542	-	67,562	57,622	272,602		
Construction	-	466,710	606,710	140,000	-	18,028	5,087	-	12,941		
School Lunch	388,139	2,107,634	2,013,320	337	482,790	2,156,306	2,019,851	200	619,445		
Textbook Rental	672,287	439,065	689,454	60,015	481,913	606,096	564,716	46,428	569,721		
Repair and Replacement	-	-	-	-	-	24,404	5,210	-	19,194		
Centerville-Fayette-Rush Special Education Consortium	221,419	36,403	6,538	-	251,284	44,822	21,527	-	274,579		
Joint Services and Supply - Area Vocational School	1,741,414	2,213,891	2,192,511	(149,262)	1,613,532	2,424,682	2,042,030	(276,194)	1,719,990		
Whitewater Technical Capital Outlay	273,512	-	115,680	160,000	317,832	-	220,335	160,000	257,497		
Child Care Program	20,019	181,793	186,798	3,326	18,340	160,524	172,243	-	6,621		
Magic Moments Pres	257	11,933	9,090	-	3,100	11,661	9,368	-	5,393		
Everton After School	17,690	10,840	6,957	-	21,573	12,136	14,163	-	19,546		
Alternative Education	5,237	1,879	-	940	8,056	3,129	12,749	1,564	-		
Early Literacy Grant	-	-	-	-	-	19,789	13,082	-	6,707		
Huffmeier Trust	7,432	10,181	250	-	17,363	3,658	250	-	20,771		
Donations 2013	-	31,217	11,615	11,353	30,955	-	27,159	-	3,796		
Donations 2014	-	-	-	-	-	53,359	9,036	-	44,323		
Jump Start	-	-	-	-	-	1,100	-	-	1,100		
Adult and Continuing Education	37,231	10,555	3,098	-	44,688	9,585	9,137	-	45,136		
Welfare Activities	-	-	-	-	-	13,880	1,048	-	12,832		
Qualified Zone Academy Bond 2001	670,000	-	670,000	-	-	-	-	-	-		
Miscellaneous Programs	12,538	22,585	22,628	(10,814)	1,681	31,768	11,977	11,438	32,910		
Band Instruments	3,149	683	-	-	3,832	486	-	-	4,318		
FCSC Gifted and Talented 2012-13	25,222	-	25,222	-	-	-	-	-	-		
FCSC Gifted and Talented 2013-14	-	40,655	18,678	-	21,977	-	21,977	-	-		
FCSC Gifted and Talented 2014-15	-	-	-	-	-	41,882	26,481	-	15,401		
Tech Prep	12,398	-	6,637	-	5,761	-	4,478	-	1,283		
WTCC CTE Tech Resources	-	15,000	15,000	-	-	-	-	-	-		
Non-English Speaking Programs P.L. 273-1999	1,716	-	-	-	1,716	-	1,716	-	-		
School Technology	100,778	193,220	261,275	662	33,385	39,987	74,369	1,510	513		
Performance Based Awards	-	525,983	525,983	-	-	224,017	224,017	-	-		
Miscellaneous Programs	-	-	-	-	-	1,200	788	-	412		

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

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Wellness Grant 2014-15	-	-	-	-	-	-	695	-	(695)
Connersville Holding Corporation	27,689	-	5	-	27,684	-	-	-	27,684
Senator David Ford Technology	-	-	8,084	-	(8,084)	28,344	20,617	-	(357)
Young Authors	9,317	2,541	7,276	-	4,582	1,614	6,017	-	179
Textbook Rental Collections	-	183,055	188,127	5,462	390	183,556	193,332	9,386	-
Title I - 2012-13	(117,329)	323,879	206,550	-	-	-	-	-	-
Title I - 2013-14	-	695,728	774,710	-	(78,982)	298,153	219,171	-	-
Title I - 2014-15	-	-	-	-	-	616,391	699,660	(5,000)	(88,269)
IDEA	-	-	-	-	-	-	-	-	-
CFR Part B 2012-13	(188,284)	711,346	523,062	-	-	-	-	-	-
CFR Part B 2013-14	-	1,346,570	1,457,930	-	(111,360)	698,055	586,695	-	-
CFR Part B 2014-15	-	-	-	-	-	1,074,667	1,169,707	-	(95,040)
Technical Assistance	-	13,542	13,571	-	(29)	34,504	34,475	-	-
CFR Preschool 2012-13	(6,921)	95	(6,826)	-	-	-	-	-	-
CFR Preschool 2013-14	-	78,504	78,504	-	-	6,002	6,002	-	-
CFR Preschool 2014-15	-	-	-	-	-	63,738	63,738	-	-
WTCC Adult Based Education 2012-13	(52,810)	74,843	22,033	-	-	-	-	-	-
WTCC Adult Based Education 2013-14	-	53,412	65,467	-	(12,055)	24,915	12,860	-	-
WTCC Adult Based Education 2014-15	-	-	-	-	-	66,620	83,944	-	(17,324)
Vocational and Technical Board Grants 2012-13	(3,266)	-	(3,266)	-	-	-	-	-	-
Vocational and Technical Board Grants 2013-14	-	170,978	174,567	(9,464)	(13,053)	18,310	5,257	-	-
Vocational and Technical Board Grants 2014-15	-	-	-	-	-	140,990	157,877	(8,309)	(25,196)
Perkins (CTE Rural Grant)	-	-	-	-	-	95,357	97,440	-	(2,083)
Medicaid Reimbursement - Federal	46,956	14,220	15,548	(11,208)	34,420	14,625	15,149	(4,401)	29,495
Improving Teaching Quality, No Child Left, Title II, Part A 2012-13	(24,726)	51,987	27,261	-	-	-	-	-	-
Title II - 2012-13	-	137,238	155,226	-	(17,988)	49,599	26,006	(5,605)	-
Title II - 2013-14	-	-	-	-	-	170,722	163,730	(6,992)	-
Title II - 2014-15	-	-	-	-	-	14,578	30,155	-	(15,577)
Rural Schools and Low Income Program - Pass Through State	(2)	1,500	1,498	-	-	-	-	-	-
Rural/Low Income 2012-13	-	511	46,311	-	(45,800)	75,520	29,720	-	-
Rural/Low Income 2013-14	-	-	-	-	-	62,112	74,106	-	(11,994)
Rural/Low Income 2014-15	-	-	-	-	-	-	133	-	(133)
Head Start 2012-13	(42,488)	156,704	114,216	-	-	-	-	-	-
Head Start 2013-14	-	831,697	855,217	-	(23,520)	200,859	177,339	-	-
Head Start 2014-15	-	-	-	-	-	911,222	936,148	-	(24,926)
Clearing	448,633	24,078,951	24,067,713	-	459,871	22,799,798	22,827,752	-	431,917
Totals	\$ 20,184,069	\$ 67,577,809	\$ 67,269,125	\$ 225,364	\$ 20,718,117	\$ 65,391,440	\$ 63,691,337	\$ 80,803	\$ 22,499,023

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans. Amounts 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. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers in. Amounts 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. Amounts 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 amounts 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 amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of the correction of errors from prior period.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for a reimbursable grant.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporations*

The School Corporation has entered into a capital lease with Connersville Middle School Building Corporation and Multi School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the years 2013-2014 and 2014-2015 totaled \$1,710,500 and \$1,763,500, respectively.

Note 10. *Other Postemployment Benefits*

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

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 4,612,442	\$ 793,249	\$ 79,918	\$ 1,319,609	\$ 2,272,973	\$ 546,147	\$ 5,782,611	\$ 177,088	\$ 292,825	\$ -
Receipts:										
Local sources	394,669	1,837,497	213,967	2,789,112	2,285,470	372,915	-	-	828	-
Intermediate sources	79	-	-	-	-	-	-	-	-	-
State sources	24,312,900	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	1,578	-	-	121,266	-	-	-	-	-	466,710
Total receipts	24,709,226	1,837,497	213,967	2,910,378	2,285,470	372,915	-	-	828	466,710
Disbursements:										
Instruction	15,543,138	-	-	-	-	-	231,560	-	-	-
Support services	7,722,975	-	-	1,513,688	1,915,362	471,934	21,880	-	69,042	227,332
Noninstructional services	210,745	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	925,335	-	-	309,926	-	-	379,378
Debt service	-	1,936,704	216,608	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	23,476,858	1,936,704	216,608	2,439,023	1,915,362	471,934	563,366	-	69,042	606,710
Excess (deficiency) of receipts over disbursements	1,232,368	(99,207)	(2,641)	471,355	370,108	(99,019)	(563,366)	-	(68,214)	(140,000)
Other financing sources (uses):										
Sale of capital assets	43,538	-	-	100	30,125	-	-	-	-	140,000
Transfers in	11,208	-	-	-	-	-	500,000	-	57,931	-
Transfers out	(58,870)	(60,015)	-	-	(500,000)	-	-	-	-	-
Total other financing sources (uses)	(4,124)	(60,015)	-	100	(469,875)	-	500,000	-	57,931	140,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,228,244	(159,222)	(2,641)	471,455	(99,767)	(99,019)	(63,366)	-	(10,283)	-
Cash and investments - ending	\$ 5,840,686	\$ 634,027	\$ 77,277	\$ 1,791,064	\$ 2,173,206	\$ 447,128	\$ 5,719,245	\$ 177,088	\$ 282,542	\$ -

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

	School Lunch	Textbook Rental	Repair and Replacement	Centerville-Fayette-Rush Special Education Consortium	Joint Services and Supply - Area Vocational School	Whitewater Technical Capital Outlay	Child Care Program	Magic Moments Pres	Everton After School	Alternative Education
Cash and investments - beginning	\$ 388,139	\$ 672,287	\$ -	\$ 221,419	\$ 1,741,414	\$ 273,512	\$ 20,019	\$ 257	\$ 17,690	\$ 5,237
Receipts:										
Local sources	541,989	439,065	-	35,185	2,213,891	-	144,806	11,933	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	12,217	-	-	1,218	-	-	36,987	-	-	1,879
Federal sources	1,553,428	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	10,840	-
Total receipts	2,107,634	439,065	-	36,403	2,213,891	-	181,793	11,933	10,840	1,879
Disbursements:										
Instruction	-	-	-	6,119	1,413,771	-	-	9,090	-	-
Support services	39,467	689,454	-	419	660,906	-	12,420	-	-	-
Noninstructional services	1,973,853	-	-	-	-	-	174,378	-	6,957	-
Facilities acquisition and construction	-	-	-	-	-	115,680	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	117,834	-	-	-	-	-
Total disbursements	2,013,320	689,454	-	6,538	2,192,511	115,680	186,798	9,090	6,957	-
Excess (deficiency) of receipts over disbursements	94,314	(250,389)	-	29,865	21,380	(115,680)	(5,005)	2,843	3,883	1,879
Other financing sources (uses):										
Sale of capital assets	337	-	-	-	1,274	-	3,326	-	-	-
Transfers in	-	60,015	-	-	9,464	160,000	-	-	-	940
Transfers out	-	-	-	-	(160,000)	-	-	-	-	-
Total other financing sources (uses)	337	60,015	-	-	(149,262)	160,000	3,326	-	-	940
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	94,651	(190,374)	-	29,865	(127,882)	44,320	(1,679)	2,843	3,883	2,819
Cash and investments - ending	\$ 482,790	\$ 481,913	\$ -	\$ 251,284	\$ 1,613,532	\$ 317,832	\$ 18,340	\$ 3,100	\$ 21,573	\$ 8,056

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

	Early Literacy Grant	Huffmeier Trust	Donations 2013	Donations 2014	Jump Start	Adult and Continuing Education	Welfare Activities	Qualified Zone Academy Bond 2001	Miscellaneous Programs	Band Instruments
Cash and investments - beginning	\$ -	\$ 7,432	\$ -	\$ -	\$ -	\$ 37,231	\$ -	\$ 670,000	\$ 12,538	\$ 3,149
Receipts:										
Local sources	-	10,181	31,217	-	-	10,555	-	-	22,425	683
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	160	-
Total receipts	-	10,181	31,217	-	-	10,555	-	-	22,585	683
Disbursements:										
Instruction	-	-	10,415	-	-	3,098	-	-	15,871	-
Support services	-	-	1,200	-	-	-	-	-	716	-
Noninstructional services	-	-	-	-	-	-	-	-	1,041	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	5,000	-
Debt service	-	-	-	-	-	-	-	670,000	-	-
Nonprogrammed charges	-	250	-	-	-	-	-	-	-	-
Total disbursements	-	250	11,615	-	-	3,098	-	670,000	22,628	-
Excess (deficiency) of receipts over disbursements	-	9,931	19,602	-	-	7,457	-	(670,000)	(43)	683
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	539	-
Transfers in	-	-	11,353	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(11,353)	-
Total other financing sources (uses)	-	-	11,353	-	-	-	-	-	(10,814)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,931	30,955	-	-	7,457	-	(670,000)	(10,857)	683
Cash and investments - ending	\$ -	\$ 17,363	\$ 30,955	\$ -	\$ -	\$ 44,688	\$ -	\$ -	\$ 1,681	\$ 3,832

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

	FCSC Gifted and Talented 2012-13	FCSC Gifted and Talented 2013-14	FCSC Gifted and Talented 2014-15	Tech Prep	WTCC CTE Tech Resources	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Miscellaneous Programs	Wellness Grant 2014-15
Cash and investments - beginning	\$ 25,222	\$ -	\$ -	\$ 12,398	\$ -	\$ 1,716	\$ 100,778	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	1,160	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	40,655	-	-	15,000	-	44,464	525,983	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	147,596	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	40,655	-	-	15,000	-	193,220	525,983	-	-
Disbursements:										
Instruction	25,222	18,678	-	-	-	-	7,100	-	-	-
Support services	-	-	-	6,637	8,726	-	254,175	525,983	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	6,274	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	25,222	18,678	-	6,637	15,000	-	261,275	525,983	-	-
Excess (deficiency) of receipts over disbursements	(25,222)	21,977	-	(6,637)	-	-	(68,055)	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	662	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	662	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,222)	21,977	-	(6,637)	-	-	(67,393)	-	-	-
Cash and investments - ending	\$ -	\$ 21,977	\$ -	\$ 5,761	\$ -	\$ 1,716	\$ 33,385	\$ -	\$ -	\$ -

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

	Connersville Holding Corporation	Senator David Ford Technology	Young Authors	Textbook Rental Collections	Title I - 2012-13	Title I - 2013-14	Title I - 2014-15	IDEA	CFR Part B 2012-13
Cash and investments - beginning	\$ 27,689	\$ -	\$ 9,317	\$ -	\$ (117,329)	\$ -	\$ -	\$ -	\$ (188,284)
Receipts:									
Local sources	-	-	2,541	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	183,055	-	-	-	-	-
Federal sources	-	-	-	-	323,879	695,728	-	-	711,346
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,541	183,055	323,879	695,728	-	-	711,346
Disbursements:									
Instruction	-	-	-	-	128,034	264,789	-	-	302,018
Support services	-	8,084	-	-	69,713	485,522	-	-	221,044
Noninstructional services	-	-	7,276	-	8,803	24,399	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	5	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	188,127	-	-	-	-	-
Total disbursements	5	8,084	7,276	188,127	206,550	774,710	-	-	523,062
Excess (deficiency) of receipts over disbursements	(5)	(8,084)	(4,735)	(5,072)	117,329	(78,982)	-	-	188,284
Other financing sources (uses):									
Sale of capital assets	-	-	-	5,462	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	5,462	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5)	(8,084)	(4,735)	390	117,329	(78,982)	-	-	188,284
Cash and investments - ending	\$ 27,684	\$ (8,084)	\$ 4,582	\$ 390	\$ -	\$ (78,982)	\$ -	\$ -	\$ -

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

	CFR Part B 2013-14	CFR Part B 2014-15	Technical Assistance	CFR Preschool 2012-13	CFR Preschool 2013-14	CFR Preschool 2014-15	WTCC Adult Based Education 2012-13	WTCC Adult Based Education 2013-14	WTCC Adult Based Education 2014-15
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (6,921)	\$ -	\$ -	\$ (52,810)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,346,570	-	13,542	95	78,504	-	74,843	53,412	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,346,570	-	13,542	95	78,504	-	74,843	53,412	-
Disbursements:									
Instruction	1,018,064	-	13,571	-	-	-	21,141	65,467	-
Support services	439,866	-	-	(6,826)	78,504	-	892	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,457,930	-	13,571	(6,826)	78,504	-	22,033	65,467	-
Excess (deficiency) of receipts over disbursements	(111,360)	-	(29)	6,921	-	-	52,810	(12,055)	-
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	(111,360)	-	(29)	6,921	-	-	52,810	(12,055)	-
Cash and investments - ending	\$ (111,360)	\$ -	\$ (29)	\$ -	\$ -	\$ -	\$ -	\$ (12,055)	\$ -

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

	Vocational and Technical Board Grants 2012-13	Vocational and Technical Board Grants 2013-14	Vocational and Technical Board Grants 2014-15	Perkins (CTE Rural Grant)	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A 2012-13	Title II - 2012-13	Title II - 2013-14	Title II - 2014-15
Cash and investments - beginning	\$ (3,266)	\$ -	\$ -	\$ -	\$ 46,956	\$ (24,726)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	170,978	-	-	14,220	51,987	137,238	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	170,978	-	-	14,220	51,987	137,238	-	-
Disbursements:									
Instruction	(2,855)	87,916	-	-	6,184	24,467	137,132	-	-
Support services	(411)	86,651	-	-	9,364	2,794	18,094	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	(3,266)	174,567	-	-	15,548	27,261	155,226	-	-
Excess (deficiency) of receipts over disbursements	3,266	(3,589)	-	-	(1,328)	24,726	(17,988)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(9,464)	-	-	(11,208)	-	-	-	-
Total other financing sources (uses)	-	(9,464)	-	-	(11,208)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,266	(13,053)	-	-	(12,536)	24,726	(17,988)	-	-
Cash and investments - ending	\$ -	\$ (13,053)	\$ -	\$ -	\$ 34,420	\$ -	\$ (17,988)	\$ -	\$ -

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

	Rural Schools and Low Income Program - Pass Through State	Rural/Low Income 2012-13	Rural/Low Income 2013-14	Rural/Low Income 2014-15	Head Start 2012-13	Head Start 2013-14	Head Start 2014-15	Clearing	Totals
Cash and investments - beginning	\$ (2)	\$ -	\$ -	\$ -	\$ (42,488)	\$ -	\$ -	\$ 448,633	\$ 20,184,069
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,360,089
Intermediate sources	-	-	-	-	-	-	-	-	79
State sources	-	-	-	-	-	-	-	-	25,174,358
Federal sources	1,500	511	-	-	156,704	831,697	-	-	6,216,182
Temporary loans	-	-	-	-	-	-	-	-	147,596
Other receipts	-	-	-	-	-	-	-	24,078,951	24,679,505
Total receipts	1,500	511	-	-	156,704	831,697	-	24,078,951	67,577,809
Disbursements:									
Instruction	-	-	-	-	104,376	775,283	-	-	20,229,649
Support services	-	511	-	-	9,840	79,934	-	-	15,645,892
Noninstructional services	-	-	-	-	-	-	-	-	2,407,452
Facilities acquisition and construction	1,498	45,800	-	-	-	-	-	-	1,788,891
Debt service	-	-	-	-	-	-	-	-	2,823,317
Nonprogrammed charges	-	-	-	-	-	-	-	24,067,713	24,373,924
Total disbursements	1,498	46,311	-	-	114,216	855,217	-	24,067,713	67,269,125
Excess (deficiency) of receipts over disbursements	2	(45,800)	-	-	42,488	(23,520)	-	11,238	308,684
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	225,363
Transfers in	-	-	-	-	-	-	-	-	810,911
Transfers out	-	-	-	-	-	-	-	-	(810,910)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	225,364
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2	(45,800)	-	-	42,488	(23,520)	-	11,238	534,048
Cash and investments - ending	\$ -	\$ (45,800)	\$ -	\$ -	\$ -	\$ (23,520)	\$ -	\$ 459,871	\$ 20,718,117

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 5,840,686	\$ 634,027	\$ 77,277	\$ 1,791,064	\$ 2,173,206	\$ 447,128	\$ 5,719,245	\$ 177,088	\$ 282,542	\$ -
Receipts:										
Local sources	235,371	1,782,183	197,834	2,707,730	2,307,190	331,021	-	-	-	12,941
Intermediate sources	58	-	-	-	-	-	-	-	-	-
State sources	24,261,473	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	2,859	-	-	12,971	-	-	-	-	-	5,087
Total receipts	24,499,761	1,782,183	197,834	2,720,701	2,307,190	331,021	-	-	-	18,028
Disbursements:										
Instruction	15,241,681	-	-	-	-	-	220,120	-	-	-
Support services	7,454,921	-	-	1,853,357	1,970,819	292,558	58,536	-	67,562	2,287
Noninstructional services	206,314	-	-	-	-	-	5,018	-	-	-
Facilities acquisition and construction	-	-	-	1,170,688	-	-	49,400	-	-	2,800
Debt service	-	1,737,210	212,634	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,902,916	1,737,210	212,634	3,024,045	1,970,819	292,558	333,074	-	67,562	5,087
Excess (deficiency) of receipts over disbursements	1,596,845	44,973	(14,800)	(303,344)	336,371	38,463	(333,074)	-	(67,562)	12,941
Other financing sources (uses):										
Sale of capital assets	51,976	-	-	-	4,631	-	-	-	-	-
Transfers in	148,164	-	-	-	-	-	500,000	-	57,622	-
Transfers out	(59,187)	(46,428)	-	-	(500,000)	-	-	-	-	-
Total other financing sources (uses)	140,953	(46,428)	-	-	(495,369)	-	500,000	-	57,622	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,737,798	(1,455)	(14,800)	(303,344)	(158,998)	38,463	166,926	-	(9,940)	12,941
Cash and investments - ending	\$ 7,578,484	\$ 632,572	\$ 62,477	\$ 1,487,720	\$ 2,014,208	\$ 485,591	\$ 5,886,171	\$ 177,088	\$ 272,602	\$ 12,941

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	School Lunch	Textbook Rental	Repair and Replacement	Centerville-Fayette-Rush Special Education Consortium	Joint Services and Supply - Area Vocational School	Whitewater Technical Capital Outlay	Child Care Program	Magic Moments Pres	Everton After School	Alternative Education
Cash and investments - beginning	\$ 482,790	\$ 481,913	\$ -	\$ 251,284	\$ 1,613,532	\$ 317,832	\$ 18,340	\$ 3,100	\$ 21,573	\$ 8,056
Receipts:										
Local sources	544,890	569,096	24,404	33,545	2,424,682	-	125,730	11,661	6,681	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	13,039	37,000	-	11,277	-	-	34,794	-	-	3,129
Federal sources	1,598,377	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	5,455	-
Total receipts	<u>2,156,306</u>	<u>606,096</u>	<u>24,404</u>	<u>44,822</u>	<u>2,424,682</u>	<u>-</u>	<u>160,524</u>	<u>11,661</u>	<u>12,136</u>	<u>3,129</u>
Disbursements:										
Instruction	-	-	-	19,227	1,386,735	-	-	9,368	3,334	12,749
Support services	42,401	564,716	5,210	2,300	655,295	-	11,748	-	-	-
Noninstructional services	1,977,450	-	-	-	-	-	160,495	-	10,829	-
Facilities acquisition and construction	-	-	-	-	-	220,335	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,019,851</u>	<u>564,716</u>	<u>5,210</u>	<u>21,527</u>	<u>2,042,030</u>	<u>220,335</u>	<u>172,243</u>	<u>9,368</u>	<u>14,163</u>	<u>12,749</u>
Excess (deficiency) of receipts over disbursements	<u>136,455</u>	<u>41,380</u>	<u>19,194</u>	<u>23,295</u>	<u>382,652</u>	<u>(220,335)</u>	<u>(11,719)</u>	<u>2,293</u>	<u>(2,027)</u>	<u>(9,620)</u>
Other financing sources (uses):										
Sale of capital assets	200	-	-	-	1,663	-	-	-	-	-
Transfers in	-	46,428	-	-	8,309	160,000	-	-	-	1,564
Transfers out	-	-	-	-	(286,166)	-	-	-	-	-
Total other financing sources (uses)	<u>200</u>	<u>46,428</u>	<u>-</u>	<u>-</u>	<u>(276,194)</u>	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,564</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>136,655</u>	<u>87,808</u>	<u>19,194</u>	<u>23,295</u>	<u>106,458</u>	<u>(60,335)</u>	<u>(11,719)</u>	<u>2,293</u>	<u>(2,027)</u>	<u>(8,056)</u>
Cash and investments - ending	<u>\$ 619,445</u>	<u>\$ 569,721</u>	<u>\$ 19,194</u>	<u>\$ 274,579</u>	<u>\$ 1,719,990</u>	<u>\$ 257,497</u>	<u>\$ 6,621</u>	<u>\$ 5,393</u>	<u>\$ 19,546</u>	<u>\$ -</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Early Literacy Grant	Huffmeier Trust	Donations 2013	Donations 2014	Jump Start	Adult and Continuing Education	Welfare Activities	Qualified Zone Academy Bond 2001	Miscellaneous Programs	Band Instruments
Cash and investments - beginning	\$ -	\$ 17,363	\$ 30,955	\$ -	\$ -	\$ 44,688	\$ -	\$ -	\$ 1,681	\$ 3,832
Receipts:										
Local sources	-	3,658	-	53,359	1,100	9,585	13,880	-	31,685	486
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	19,789	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	83	-
Total receipts	19,789	3,658	-	53,359	1,100	9,585	13,880	-	31,768	486
Disbursements:										
Instruction	4,864	-	16,845	7,345	-	9,137	-	-	3,328	-
Support services	8,218	-	314	1,050	-	-	-	-	-	-
Noninstructional services	-	-	-	641	-	-	1,048	-	7,863	-
Facilities acquisition and construction	-	-	10,000	-	-	-	-	-	786	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	250	-	-	-	-	-	-	-	-
Total disbursements	13,082	250	27,159	9,036	-	9,137	1,048	-	11,977	-
Excess (deficiency) of receipts over disbursements	6,707	3,408	(27,159)	44,323	1,100	448	12,832	-	19,791	486
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	11,438	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	11,438	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,707	3,408	(27,159)	44,323	1,100	448	12,832	-	31,229	486
Cash and investments - ending	\$ 6,707	\$ 20,771	\$ 3,796	\$ 44,323	\$ 1,100	\$ 45,136	\$ 12,832	\$ -	\$ 32,910	\$ 4,318

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	FCSC Gifted and Talented 2012-13	FCSC Gifted and Talented 2013-14	FCSC Gifted and Talented 2014-15	Tech Prep	WTCC CTE Tech Resources	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Miscellaneous Programs	Wellness Grant 2014-15
Cash and investments - beginning	\$ -	\$ 21,977	\$ -	\$ 5,761	\$ -	\$ 1,716	\$ 33,385	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	41,882	-	-	-	39,987	224,017	1,200	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	41,882	-	-	-	39,987	224,017	1,200	-
Disbursements:										
Instruction	-	21,977	26,481	-	-	1,716	5,330	-	-	-
Support services	-	-	-	4,478	-	-	69,039	224,017	788	695
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	21,977	26,481	4,478	-	1,716	74,369	224,017	788	695
Excess (deficiency) of receipts over disbursements	-	(21,977)	15,401	(4,478)	-	(1,716)	(34,382)	-	412	(695)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	1,510	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	1,510	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(21,977)	15,401	(4,478)	-	(1,716)	(32,872)	-	412	(695)
Cash and investments - ending	\$ -	\$ -	\$ 15,401	\$ 1,283	\$ -	\$ -	\$ 513	\$ -	\$ 412	\$ (695)

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Connersville Holding Corporation	Senator David Ford Technology	Young Authors	Textbook Rental Collections	Title I - 2012-13	Title I - 2013-14	Title I - 2014-15	IDEA	CFR Part B 2012-13
Cash and investments - beginning	\$ 27,684	\$ (8,084)	\$ 4,582	\$ 390	\$ -	\$ (78,982)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	1,614	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	28,344	-	183,556	-	-	-	-	-
Federal sources	-	-	-	-	-	298,153	616,391	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	28,344	1,614	183,556	-	298,153	616,391	-	-
Disbursements:									
Instruction	-	-	-	-	-	74,474	219,960	-	-
Support services	-	20,617	-	-	-	137,490	457,569	-	-
Noninstructional services	-	-	6,017	-	-	7,207	22,131	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	193,332	-	-	-	-	-
Total disbursements	-	20,617	6,017	193,332	-	219,171	699,660	-	-
Excess (deficiency) of receipts over disbursements	-	7,727	(4,403)	(9,776)	-	78,982	(83,269)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	9,386	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(5,000)	-	-
Total other financing sources (uses)	-	-	-	9,386	-	-	(5,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,727	(4,403)	(390)	-	78,982	(88,269)	-	-
Cash and investments - ending	\$ 27,684	\$ (357)	\$ 179	\$ -	\$ -	\$ -	\$ (88,269)	\$ -	\$ -

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	CFR Part B 2013-14	CFR Part B 2014-15	Technical Assistance	CFR Preschool 2012-13	CFR Preschool 2013-14	CFR Preschool 2014-15	WTCC Adult Based Education 2012-13	WTCC Adult Based Education 2013-14	WTCC Adult Based Education 2014-15
Cash and investments - beginning	\$ (111,360)	\$ -	\$ (29)	\$ -	\$ -	\$ -	\$ -	\$ (12,055)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	698,055	1,074,667	34,504	-	6,002	63,738	-	24,915	66,620
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	698,055	1,074,667	34,504	-	6,002	63,738	-	24,915	66,620
Disbursements:									
Instruction	394,567	868,774	34,475	-	-	-	-	12,860	83,944
Support services	192,128	300,933	-	-	6,002	63,738	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	586,695	1,169,707	34,475	-	6,002	63,738	-	12,860	83,944
Excess (deficiency) of receipts over disbursements	111,360	(95,040)	29	-	-	-	-	12,055	(17,324)
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	111,360	(95,040)	29	-	-	-	-	12,055	(17,324)
Cash and investments - ending	\$ -	\$ (95,040)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,324)

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Vocational and Technical Board Grants 2012-13	Vocational and Technical Board Grants 2013-14	Vocational and Technical Board Grants 2014-15	Perkins (CTE Rural Grant)	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A 2012-13	Title II - 2012-13	Title II - 2013-14	Title II - 2014-15
Cash and investments - beginning	\$ -	\$ (13,053)	\$ -	\$ -	\$ 34,420	\$ -	\$ (17,988)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	18,310	140,990	95,357	14,625	-	49,599	170,722	14,578
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	18,310	140,990	95,357	14,625	-	49,599	170,722	14,578
Disbursements:									
Instruction	-	-	77,064	2,400	8,903	-	16,707	143,581	30,015
Support services	-	5,257	80,813	-	6,246	-	9,299	20,149	140
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	95,040	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,257	157,877	97,440	15,149	-	26,006	163,730	30,155
Excess (deficiency) of receipts over disbursements	-	13,053	(16,887)	(2,083)	(524)	-	23,593	6,992	(15,577)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(8,309)	-	(4,401)	-	(5,605)	(6,992)	-
Total other financing sources (uses)	-	-	(8,309)	-	(4,401)	-	(5,605)	(6,992)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	13,053	(25,196)	(2,083)	(4,925)	-	17,988	-	(15,577)
Cash and investments - ending	\$ -	\$ -	\$ (25,196)	\$ (2,083)	\$ 29,495	\$ -	\$ -	\$ -	\$ (15,577)

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Rural Schools and Low Income Program - Pass Through State	Rural/Low Income 2012-13	Rural/Low Income 2013-14	Rural/Low Income 2014-15	Head Start 2012-13	Head Start 2013-14	Head Start 2014-15	Clearing	Totals
Cash and investments - beginning	\$ -	\$ (45,800)	\$ -	\$ -	\$ -	\$ (23,520)	\$ -	\$ 459,871	\$ 20,718,117
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,430,326
Intermediate sources	-	-	-	-	-	-	-	-	58
State sources	-	-	-	-	-	-	-	-	24,899,487
Federal sources	-	75,520	62,112	-	-	200,859	911,222	-	6,235,316
Other receipts	-	-	-	-	-	-	-	22,799,798	22,826,253
Total receipts	-	75,520	62,112	-	-	200,859	911,222	22,799,798	65,391,440
Disbursements:									
Instruction	-	-	-	-	-	86,494	832,248	-	19,876,703
Support services	-	-	74,106	133	-	6,696	89,141	-	14,760,766
Noninstructional services	-	-	-	-	-	-	-	-	2,405,013
Facilities acquisition and construction	-	29,720	-	-	-	84,149	14,759	-	1,677,677
Debt service	-	-	-	-	-	-	-	-	1,949,844
Nonprogrammed charges	-	-	-	-	-	-	-	22,827,752	23,021,334
Total disbursements	-	29,720	74,106	133	-	177,339	936,148	22,827,752	63,691,337
Excess (deficiency) of receipts over disbursements	-	45,800	(11,994)	(133)	-	23,520	(24,926)	(27,954)	1,700,103
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	80,804
Transfers in	-	-	-	-	-	-	-	-	922,087
Transfers out	-	-	-	-	-	-	-	-	(922,088)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	80,803
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	45,800	(11,994)	(133)	-	23,520	(24,926)	(27,954)	1,780,906
Cash and investments - ending	\$ -	\$ -	\$ (11,994)	\$ (133)	\$ -	\$ -	\$ (24,926)	\$ 431,917	\$ 22,499,023

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,119,574</u>	<u>\$ 338,405</u>

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Connersville Middle School Building Corporation	Building Improvements	\$ 1,065,500	12/31/2011	12/31/2026
Connersville Middle School Building Corporation	Qualified School Construction Bonds	225,000	6/30/2010	12/31/2020
Connersville Middle School Building Corporation	Qualified Zone Academy Bonds	<u>253,000</u>	12/31/2014	6/30/2018

Total of annual lease payments \$ 1,543,500

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Retirement and Severance	750,000	191,406
Notes and loans payable	Common School Technology Loan	<u>118,077</u>	<u>30,774</u>
Total governmental activities		<u>868,077</u>	<u>222,180</u>
Totals		<u>\$ 868,077</u>	<u>\$ 222,180</u>

FAYETTE COUNTY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 5,500
Buildings	131,682,639
Improvements other than buildings	361,821
Machinery, equipment, and vehicles	12,947,597
Total governmental activities	144,997,557
Total capital assets	\$ 144,997,557

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the Fayette County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003 and 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 2015-002, 2015-003, and 2015-004 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

August 30, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast			FY 2014	\$ 346,663	\$ -
School Breakfast			FY 2015	-	373,049
Total - School Breakfast Program				<u>346,663</u>	<u>373,049</u>
National School Lunch Program					
School Lunch	Indiana Department of Education	10.555			
School Lunch			FY 2014	1,032,187	-
School Lunch			FY 2015	-	1,075,660
After School Snack			FY 2014	54,105	-
After School Snack			FY 2015	-	5,733
Commodities				155,833	138,894
Total - National School Lunch Program				<u>1,242,125</u>	<u>1,220,287</u>
Summer Food Service Program for Children					
Summer Program	Indiana Department of Education	10.559			
Summer Program			FY 2014	70,107	-
Summer Program			FY 2015	-	75,730
Total - Summer Food Service Program for Children				<u>70,107</u>	<u>75,730</u>
Total - Child Nutrition Cluster				<u>1,658,895</u>	<u>1,669,066</u>
Child and Adult Care Food Program					
Child and Adult Care	Indiana Department of Education	10.558			
Child and Adult Care			FY 2014	50,367	-
Child and Adult Care			FY 2015	-	68,205
Total - Child and Adult Care Food Program				<u>50,367</u>	<u>68,205</u>
Total - Department of Agriculture				<u>1,709,262</u>	<u>1,737,271</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States					
2012-2013 Special Education	Indiana Department of Education	84.027	14213-071-PN01	500,192	-
2013-2014 Special Education			14214-071-PN01	722,889	344,786
2014-2015 Special Education			14215-071-PN01	-	776,893
2013-2014 Special Ed Technical Assistance			99914-071-TA01	6,029	19,207
Total - Special Education_Grants to States				<u>1,229,110</u>	<u>1,140,886</u>
Special Education_Preschool Grants					
2012-2013 Special Education Preschool	Indiana Department of Education	84.173	45713-071-PN01	95	-
2013-2014 Special Education Preschool			45714-071-PN01	51,574	-
2014-2015 Special Education Preschool			45715-071-PN01	-	50,817
Total - Special Education_Preschool Grants				<u>51,669</u>	<u>50,817</u>
Total - Special Education Cluster (IDEA)				<u>1,280,779</u>	<u>1,191,703</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
2012-2013 Title I			13-2395	323,879	-
2013-2014 Title I			14-2395	695,728	298,153
2014-2015 Title I			15-2395	-	616,391
Total - Title I Grants to Local Educational Agencies				<u>1,019,607</u>	<u>914,544</u>
Adult Education - Basic Grants to States	New Castle Community School Corp.	84.002			
2012-2013 Adult Education			FY2013	74,843	-
2013-2014 Adult Education			FY2014	53,412	24,915
2014-2015 Adult Education			FY2015	-	66,620
Total - Adult Education - Basic Grants to States				<u>128,255</u>	<u>91,535</u>
Career and Technical Education -- Basic Grants to States	Indiana Department of Education	84.048			
2013-2014 Perkins			13-4700-2395	170,978	18,310
2014-2015 Perkins			14-4700-2395	-	140,990
2015 Perkins Improvement				-	95,357
Total - Career and Technical Education -- Basic Grants to States				<u>170,978</u>	<u>254,657</u>
Rural Education	Indiana Department of Education	84.358			
2011-2013 Rural Income			11-2395	1,500	-
2012-2014 Rural Income			12-2395	511	75,520
2013-2015 Rural Income			13-2395	-	62,112
Total - Rural Education				<u>2,011</u>	<u>137,632</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
2011-2013 Title II			11-2395	51,987	-
2012-2014 Title II			12-2395	137,238	49,599
2013-2015 Title II			13-2395	-	170,722
2014-2016 Title II			14-2395	-	14,578
Total - Improving Teacher Quality State Grants				<u>189,225</u>	<u>234,899</u>
Total - Department of Education				<u>2,790,855</u>	<u>2,824,970</u>
<u>Department of Health and Human Services</u>					
Head Start	Direct Grant	93.600			
2012-2013 Head Start			05CH2000	156,704	-
2013-2014 Head Start			05CH8315/01	831,697	200,860
2014-2015 Head Start			05CH8315/02	-	911,222
Total - Head Start				<u>988,401</u>	<u>1,112,082</u>
Total - Department of Health and Human Services				<u>988,401</u>	<u>1,112,082</u>
Total federal awards expended				<u>\$ 5,488,518</u>	<u>\$ 5,674,323</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Child Nutrition Cluster Special Education Cluster (IDEA) Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$334,885

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

Section II - Financial Statement Findings

FINDING 2015-001 - INTERNAL CONTROLS OVER PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

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 Director of Finance was the person solely responsible for preparation and submission of the SEFA. There was no segregation of duties documented, such as an oversight, review, approval process, or other compensating control.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could remain undetected.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Program Income, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cash Management (School Breakfast Program and National School Lunch Program)

The School Corporation had not established a control to ensure that the School Lunch fund's net cash resources did not exceed the three months average expenditures.

Eligibility (School Breakfast Program and National School Lunch Program)

The School Corporation had not established an effective control over the determination of eligibility for free and reduced priced meals. The School Corporation contracted with an outside company, whose employees determined eligibility during the audit period. There was no documentation of an oversight, review process, or other compensating control to ensure eligibility was properly determined.

Program Income (School Breakfast Program and National School Lunch Program)

The School Corporation had not established an effective control to ensure program income was properly recorded in the financial records. Program income was posted based upon a spreadsheet prepared by the Assistant Food Service Director. There was no control in place to ensure the spreadsheet agreed to sales figures reported in the School Corporation's Food Service program.

Reporting

The Food Service Director prepared and submitted the School Food Authority (SFA) Verification Collection Reports and the Annual Financial Report and the Assistant Food Service Director prepared and submitted the Sponsor Claim (claims for reimbursement); however, there was no control in place to ensure that the reports were correct.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) (School Breakfast Program and National School Lunch Program)

The School Corporation performed the necessary verifications of free and reduced price applications; however, there was no documentation that an oversight, review process, or other compensating control had been established to ensure accuracy of the verifications performed.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program)

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the paid lunch equity calculations were accurate. The Food Service Director was responsible for compliance with paid lunch equity requirements. An oversight, review process, or other compensating control had not been established.

Context

The lack of controls over the compliance requirements noted above was a systemic problem. There were no documented internal controls for these compliance requirements during the audit period.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-003 - SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture

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

CFDA Number: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. There were no controls in place to ensure that vendors were not suspended or debarred from participation in federal programs.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation did not comply with the Suspension and Debarment requirements to verify that awarded contracts exceeding \$25,000 were not with suspended or debarred entities. They failed to provide evidence that a search of the SAM exclusions was conducted; that certification from the entity was collected; or that a clause or condition was added to the contract.

Context

This was a systemic problem. The School Corporation failed to comply with the Procurement and Suspension and Debarment compliance requirement throughout the audit period.

Criteria

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. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish effective internal controls enabled noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. We also recommended that the School Corporation comply with the Procurement and Suspension and Debarment compliance requirement.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-004 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Improving Teacher Quality State Grants

CFDA Number: 84.367

Federal Award Numbers and Years (or Other Identifying Numbers): 11-2395, 12-2395, 13-2395, 14-2395

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation was required to maintain Semi-Annual Certifications to support salaries and wages charged to the federal program. There were no Semi-Annual Certifications maintained by the School Corporation.

Context

The lack of controls was a systemic problem for the entire period. No certifications to support salaries and wages were maintained by the School Corporation.

Criteria

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, section 8h(3) states:

"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 first hand knowledge of the work performed by the employee."

Cause

Management had not developed a system of internal controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above, to ensure compliance with the Allowable Costs/Cost Principles requirements of the program.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

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



Fayette County School Corporation

1401 Spartan Drive • Connersville, IN 47331
Phone (765) 825-2178 • Fax (765) 825-8060

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Scott Collins, Superintendent

Contact Phone Number: (765) 825-2178

Views of Responsible Official: The responsible official acknowledges receipt of the federal finding.

Description of Corrective Action Plan:

Preparation of the Schedule of Expenditures of Federal Awards: The Director of Finance will prepare the Schedule of Federal Awards (SEFA). The Schedule of Federal Awards (SEFA) will be printed from the Indiana Gateway website and forwarded to the Superintendent for review along with supporting documentation. The Superintendent will review for accuracy, sign attesting to the accuracy and return the SEFA document to the Director of Finance. The Director of Finance will submit the Annual Report including the SEFA after receiving the Superintendent's approval.

All documentation will be maintained in the Annual Report File for the applicable year, the file can be found in the Director of Finance's office.

Anticipated Completion Date: Completion will be with the submission of the 2016-2017 Annual Report, including the 2016-2017 Schedule of Federal Awards (SEFA).



(Signature)

Director of Finance

(Title)

August 29, 2017

(Date)



Fayette County School Corporation

1401 Spartan Drive • Connersville, IN 47331
Phone (765) 825-2178 • Fax (765) 825-8060

FINDING 2015-002

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Rachel O'Brien, Food Service Director

Contact Phone Number: (765) 825-2178

View of Responsible Official: The responsible official acknowledges receipt of the federal finding. As noted by the auditors, there were no questioned costs identified.

Description of Corrective Action Plan:

1. **Cash Management:** A spreadsheet will be created to calculate a three month average of expenditures and compare that amount with the month-end cash balance of the school lunch fund. The expenditure amounts will come from the financial accounting system's fund and budget history reports. The Director of Finance will maintain the spreadsheet. The spreadsheet will be reviewed monthly by the Director of Food Service (Assistant Director of Food Service in the absence of the Food Service Director). The document will be signed or initialed and dated monthly by the Director of Finance and the Director of Food Service. Cash balance will be maintained at an acceptable amount. Excess amounts will be reported to the Indiana division of school nutrition along with a plan for expenditure. The spreadsheet and supporting documentation will be kept in accordance with the state and federal retention guidelines.
2. **Eligibility:** Beginning during the 2016-2017 school year, free and reduced price meal applications are reviewed and approved by the food service administrative assistant and a second review/verification is conducted by the Assistant Food Service Director for accuracy. The food service administrative assistant will enter the student status into the food service software. The assistant food service director will review data entered into the software for accuracy. All documents will be kept in accordance with state and federal record retention guidelines. A monthly narrative report will be made to the Director of Finance and kept in the Food Service Internal Control Notebook.
3. **Program Income:** The school corporation has already established a spreadsheet for comparing daily cash receipts posted to the system with the deposits into the bank. Additionally, the daily deposits are reconciled to the bank statement. A monthly spreadsheet detailing all collections and self balancing feature to prepaid account balances, the listing of positive account balances, and negative accounts balance reports are submitted monthly to the Director of Finance for review and comparison to the balance reports of material discrepancies. These documents are maintained in the Director of Finance's office and will be kept in accordance with state and federal retention guidelines. A monthly report will be made to the Director of Finance and kept in the Food Service Internal Control notebook.
4. **Reporting:** The Food Service Director (or Assistant Director in the absence of the Director) will complete the monthly reimbursement requests and the Annual Financial Report. The reports will be forwarded along with the supporting documentation to the Director of Finance for review and verification prior to submission and a copy will be maintained in the Food Service Internal Control notebook. The Director of Finance will initial and date the reports. All documents will be kept in accordance with state and federal retention guidelines.

5. Special Tests and Provisions—Verification of Free and Reduced Price Applications—Beginning during the 2016-2017 school year, free and reduced price meal applications are reviewed and approved by the food service administrative assistant and a second review/verification is conducted by the Assistant Food Service Director for accuracy. Additionally, the food service director will pull 5% of the free and reduced applications reviewed by the administrative assistant and the assistant director of the school corporation. The applications for the second audit will be selected at random. The director of food service will initial and date the applications that are reviewed a second time. A monthly report will be made to the Director of Finance and kept in the Food Service Internal Control Notebook.
6. Special Tests and Provisions-Paid Lunch Equity --The Food Service Director (or Assistant Director in the absence of the Director) will complete the paid lunch equity calculations annually. The calculations will be provided to the Director of Finance for review and for presentation to the Board of School trustees in consideration for paid lunch rate changes. A copy will be maintained in the Food Service Internal Control notebook. All documentation will be kept in accordance with state and federal retention guidelines.

Anticipated Completion Date: As referenced above, some items have already been completed since the close of the 2013-2015 audit period. Additional controls began with start of the 2017-2018 school year.



(Signature)

Director of Finance

(Title)

August 29, 2017

(Date)



Fayette County School Corporation

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FINDING 2015-003

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Rachel O'Brien, Director of Food Service

Contact Phone Number: (765) 825-2178

Views of Responsible Official: The responsible official acknowledges receipt of the federal finding. As noted by the auditors, no questioned costs were identified.

Description of Corrective Action Plan: Fayette County School Corporation will print the supporting documentation from SAM for required contractors. Documentation will be maintained in the Food Service Internal Control Notebook. All documentation will be kept in accordance with state and federal retention schedules.

Anticipated Completion Date: Additional controls began with the start of 2017-2018 school year.

(Signature)

Director of Finance

(Title)

August 29, 2017

(Date)



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FINDING 2015-004

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Various Federal Grant Administrators

Contact Phone Number: (765) 825-2178

Views of Responsible Official: The responsible official acknowledges receipt of the federal finding.

Description of Corrective Action Plan: Time and effort logs for each federal program are maintained in a notebook in the Director of Finance's office.

Anticipated Completion Date: Time and effort logs are maintained in a notebook in the Director of Finance's office beginning with the 201-2017 school year.

(Signature)

Director of Finance

(Title)

August 29, 2017

(Date)

OTHER REPORTS

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