

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JENNINGS COUNTY SCHOOL CORPORATION
JENNINGS COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED

09/26/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis	11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis	20-29
Schedule of Leases and Debt	30
Schedule of Capital Assets	31
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	34-36
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	38-39
Notes to Schedule of Expenditures of Federal Awards	40
Schedule of Findings and Questioned Costs	41-55
Auditee-Prepared Document:	
Corrective Action Plan	58-66
Other Reports	67

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amber K. Fields	07-01-13 to 06-30-18
Superintendent of Schools	Dr. Terry Sargent Teresa A. Brown	07-01-13 to 06-30-17 07-01-17 to 06-30-18
President of the School Board	Steve Elmore	07-01-13 to 06-30-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Jennings County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 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 Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 19, 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

September 19, 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 JENNINGS COUNTY SCHOOL
CORPORATION, JENNINGS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Jennings County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated September 19, 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 material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 items 2015-001 and 2015-002 to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

Jennings 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

September 19, 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.

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

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
General	\$ 2,052,127	\$ 31,484,826	\$ 32,427,660	\$ 365,297	\$ 1,474,590	\$ 30,265,248	\$ 29,654,736	\$ 46,688	\$ 2,131,790
Debt Service	1,567,777	1,466,377	3,033,942	-	212	5,295,286	3,262,996	(38,880)	1,993,622
Retirement/Severance Bond Debt Service	12,785	381,930	393,800	-	915	636,703	590,748	-	46,870
Capital Projects	2,304,819	1,661,937	3,962,176	-	4,580	5,430,002	3,284,063	-	2,150,519
School Transportation	1,028,687	2,475,228	3,050,952	(450,000)	2,963	5,848,908	3,996,411	(950,000)	905,460
School Bus Replacement	179,510	74,570	211,311	(9,000)	33,769	319,306	351,004	-	2,071
Rainy Day	3,052,527	-	1,590,031	459,000	1,921,496	1,428,000	1,413,399	950,000	2,886,097
Construction	-	5,517,739	1,487,527	-	4,030,212	423,514	4,450,649	-	3,077
School Lunch	882,958	2,381,376	2,382,407	-	881,927	2,434,743	2,538,402	-	778,268
Textbook Rental	18,607	1,038,822	1,089,441	35,073	3,061	453,095	495,448	39,559	267
Self-Insurance	1,271,001	5,938,545	6,309,167	-	900,379	5,854,577	6,753,385	-	1,571
Child Care Program	75,620	-	-	-	75,620	-	-	-	75,620
Educational License Plates	6,313	-	-	-	6,313	-	-	-	6,313
Alternative Education	35,546	41,310	-	(76,856)	-	49,781	49,781	-	-
SAFE School Haven	-	17,000	10,000	(7,000)	-	7,685	7,685	-	-
Donation	7,163	-	400	-	6,763	2,500	6,583	-	2,680
State General Fund	6,608	45,483	51,413	-	678	-	-	(678)	-
Eco - 15 Grant	-	53,565	69,941	-	(16,376)	53,504	55,923	-	(18,795)
Instruction Support	-	-	-	-	-	42,509	26,341	-	16,168
High Ability Grant	-	41,711	40,180	-	1,531	-	1,531	-	-
Education Technology	-	-	434,602	-	(434,602)	434,602	-	-	-
Adult and Continuing Education	150,020	140,121	15,070	(275,070)	1	121,999	191,004	-	(69,004)
Medicaid Reimbursement	71,315	25,249	-	-	96,564	39,197	-	-	135,761
Non-English Speaking Programs P.L. 273-1999	-	4,635	4,635	-	-	4,855	4,855	-	-
School Technology	3,012	5,791	7,709	-	1,094	4,017	-	-	5,111
Performance Based Awards	-	-	-	-	-	168,760	162,555	-	6,205
Miscellaneous Programs	-	-	-	-	-	-	37,898	-	-
Title I	3,731	65,453	69,182	-	2	863,452	956,102	-	(92,648)
Title I 2013-2014	-	917,977	987,284	-	(69,307)	69,307	-	-	-
Title I Migrant	-	39,577	50,000	-	(10,423)	10,423	-	-	-
IDEA	-	13,043	38,195	-	(25,152)	35,035	9,883	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	4,906	422,012	452,314	-	(25,396)	717,719	789,946	-	(97,623)
FY 2010 Part B, IDEA	2,187	769,069	895,389	-	(124,133)	411,672	340,506	-	(52,967)
Federal Assistance Educational Preschool Handicapped	1,414	33,586	35,000	-	-	-	-	-	-
Special Ed Preschool	-	-	31,330	-	(31,330)	31,330	-	-	-
Preschool Federal FY 2010 CO	-	-	-	-	-	-	30,721	-	(30,721)
Medicaid Reimbursement - Federal	8,087	113,780	78,945	-	42,922	115,417	154,040	-	4,299
Outward Bound	284	-	284	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	3,973	187,874	203,934	-	(12,087)	186,247	185,621	-	(11,461)
Title III - Language Instruction	15,395	-	18,737	-	(3,342)	7,470	1,691	-	2,437
McKinney - Vento Education for Homeless	-	-	590	-	(590)	22,500	22,245	-	(335)
Payroll Clearing Accounts	24,255	8,638,417	8,662,672	-	-	8,179,234	8,179,234	-	-
Totals	\$ 12,790,627	\$ 63,997,003	\$ 68,096,220	\$ 41,444	\$ 8,732,854	\$ 70,006,495	\$ 68,005,386	\$ 46,689	\$ 10,780,652

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

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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.

JENNINGS 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.

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

Other receipts. 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.

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

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:

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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.

JENNINGS 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.

JENNINGS 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. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants with the reimbursement for expenditures made by the School Corporation not received by June 30, 2014 and 2015.

Note 8. Holding Corporation

The School Corporation has entered into capital leases with Jennings County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2013-2014 and 2014-2015 totaled \$2,330,500 and \$2,404,500, respectively.

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Event

On August 1, 2017, the School Corporation entered into five separate capital leases totaling \$7,985,000 with Jennings County School Building Corporation (the lessor). The primary purposes of the leases are for HVAC renovations, LED lighting project, roofing renovations, and an athletic complex renovation. The leases require semiannual lease payments through December 31, 2027.

Note 10. Other Postemployment Benefit

The School Corporation provides to eligible retirees and their spouses the following benefit: health insurance. This benefit poses a liability to the School Corporation for this year and in future years. Information regarding this benefit 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 2,052,127	\$ 1,567,777	\$ 12,785	\$ 2,304,819	\$ 1,028,687	\$ 179,510	\$ 3,052,527	\$ -	\$ 882,958
Receipts:									
Local sources	99,942	1,348,732	170,930	1,589,416	1,619,216	74,570	-	-	752,593
Intermediate sources	48	-	-	-	-	-	-	-	-
State sources	30,247,495	-	-	-	-	-	-	-	20,954
Federal sources	-	-	-	-	-	-	-	-	1,607,829
Interfund loans	1,031,000	92,000	211,000	65,000	850,000	-	-	-	-
Other receipts	106,341	25,645	-	7,521	6,012	-	-	5,517,739	-
Total receipts	<u>31,484,826</u>	<u>1,466,377</u>	<u>381,930</u>	<u>1,661,937</u>	<u>2,475,228</u>	<u>74,570</u>	<u>-</u>	<u>5,517,739</u>	<u>2,381,376</u>
Disbursements:									
Instruction	22,035,377	-	-	-	-	-	127,756	-	-
Support services	9,254,115	-	-	2,241,838	3,050,952	211,311	34,275	-	245
Noninstructional services	728,168	-	-	-	-	-	-	-	2,382,162
Facilities acquisition and construction	-	-	-	1,720,338	-	-	-	1,487,527	-
Debt service	-	2,998,869	383,800	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	410,000	35,073	10,000	-	-	-	1,428,000	-	-
Total disbursements	<u>32,427,660</u>	<u>3,033,942</u>	<u>393,800</u>	<u>3,962,176</u>	<u>3,050,952</u>	<u>211,311</u>	<u>1,590,031</u>	<u>1,487,527</u>	<u>2,382,407</u>
Excess (deficiency) of receipts over disbursements	<u>(942,834)</u>	<u>(1,567,565)</u>	<u>(11,870)</u>	<u>(2,300,239)</u>	<u>(575,724)</u>	<u>(136,741)</u>	<u>(1,590,031)</u>	<u>4,030,212</u>	<u>(1,031)</u>
Other financing sources (uses):									
Sale of capital assets	6,371	-	-	-	-	-	-	-	-
Transfers in	358,926	-	-	-	-	-	459,000	-	-
Transfers out	-	-	-	-	(450,000)	(9,000)	-	-	-
Total other financing sources (uses)	<u>365,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>	<u>(9,000)</u>	<u>459,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(577,537)</u>	<u>(1,567,565)</u>	<u>(11,870)</u>	<u>(2,300,239)</u>	<u>(1,025,724)</u>	<u>(145,741)</u>	<u>(1,131,031)</u>	<u>4,030,212</u>	<u>(1,031)</u>
Cash and investments - ending	<u>\$ 1,474,590</u>	<u>\$ 212</u>	<u>\$ 915</u>	<u>\$ 4,580</u>	<u>\$ 2,963</u>	<u>\$ 33,769</u>	<u>\$ 1,921,496</u>	<u>\$ 4,030,212</u>	<u>\$ 881,927</u>

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

	Textbook Rental	Self- Insurance	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven	Donation	State General Fund	Eco - 15 Grant
Cash and investments - beginning	\$ 18,607	\$ 1,271,001	\$ 75,620	\$ 6,313	\$ 35,546	\$ -	\$ 7,163	\$ 6,608	\$ -
Receipts:									
Local sources	190,017	5,938,545	-	-	-	-	-	45,483	53,565
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	228,805	-	-	-	41,310	17,000	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	620,000	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,038,822	5,938,545	-	-	41,310	17,000	-	45,483	53,565
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	69,941
Support services	264,441	905,985	-	-	-	10,000	400	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	19,426	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	51,413	-
Nonprogrammed charges	-	5,383,756	-	-	-	-	-	-	-
Interfund loans	825,000	-	-	-	-	-	-	-	-
Total disbursements	1,089,441	6,309,167	-	-	-	10,000	400	51,413	69,941
Excess (deficiency) of receipts over disbursements	(50,619)	(370,622)	-	-	41,310	7,000	(400)	(5,930)	(16,376)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	35,073	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(76,856)	(7,000)	-	-	-
Total other financing sources (uses)	35,073	-	-	-	(76,856)	(7,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,546)	(370,622)	-	-	(35,546)	-	(400)	(5,930)	(16,376)
Cash and investments - ending	\$ 3,061	\$ 900,379	\$ 75,620	\$ 6,313	\$ -	\$ -	\$ 6,763	\$ 678	\$ (16,376)

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

	Instruction Support	High Ability Grant	Education Technology	Adult and Continuing Education	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 150,020	\$ 71,315	\$ -	\$ 3,012	\$ -	\$ -
Receipts:									
Local sources	-	-	-	140,121	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	41,711	-	-	25,249	4,635	5,791	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	41,711	-	140,121	25,249	4,635	5,791	-	-
Disbursements:									
Instruction	-	15,366	-	15,070	-	4,635	-	-	-
Support services	-	24,814	434,602	-	-	-	7,709	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	40,180	434,602	15,070	-	4,635	7,709	-	-
Excess (deficiency) of receipts over disbursements	-	1,531	(434,602)	125,051	25,249	-	(1,918)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(275,070)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(275,070)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,531	(434,602)	(150,019)	25,249	-	(1,918)	-	-
Cash and investments - ending	\$ -	\$ 1,531	\$ (434,602)	\$ 1	\$ 96,564	\$ -	\$ 1,094	\$ -	\$ -

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

	Title I	Title I 2013-2014	Title I Migrant	IDEA	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	FY 2010 Part B, IDEA	Federal Assistance Educational Preschool Handicapped	Special Ed Preschool
Cash and investments - beginning	\$ 3,731	\$ -	\$ -	\$ -	\$ 4,906	\$ 2,187	\$ 1,414	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	65,453	917,977	39,577	13,043	422,012	769,069	33,586	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>65,453</u>	<u>917,977</u>	<u>39,577</u>	<u>13,043</u>	<u>422,012</u>	<u>769,069</u>	<u>33,586</u>	<u>-</u>
Disbursements:								
Instruction	17,058	903,786	19,947	-	209,212	491,186	-	31,330
Support services	17,124	71,114	30,053	38,195	158,102	379,203	-	-
Noninstructional services	-	12,384	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	35,000	-	-	-	85,000	25,000	35,000	-
Total disbursements	<u>69,182</u>	<u>987,284</u>	<u>50,000</u>	<u>38,195</u>	<u>452,314</u>	<u>895,389</u>	<u>35,000</u>	<u>31,330</u>
Excess (deficiency) of receipts over disbursements	<u>(3,729)</u>	<u>(69,307)</u>	<u>(10,423)</u>	<u>(25,152)</u>	<u>(30,302)</u>	<u>(126,320)</u>	<u>(1,414)</u>	<u>(31,330)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,729)</u>	<u>(69,307)</u>	<u>(10,423)</u>	<u>(25,152)</u>	<u>(30,302)</u>	<u>(126,320)</u>	<u>(1,414)</u>	<u>(31,330)</u>
Cash and investments - ending	<u>\$ 2</u>	<u>\$ (69,307)</u>	<u>\$ (10,423)</u>	<u>\$ (25,152)</u>	<u>\$ (25,396)</u>	<u>\$ (124,133)</u>	<u>\$ -</u>	<u>\$ (31,330)</u>

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

	Preschool Federal FY 2010 CO	Medicaid Reimbursement - Federal	Outward Bound	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	McKinney - Vento Education for Homeless	Payroll Clearing Accounts	Totals
Cash and investments - beginning	\$ -	\$ 8,087	\$ 284	\$ 3,973	\$ 15,395	\$ -	\$ 24,255	\$ 12,790,627
Receipts:								
Local sources	-	-	-	-	-	-	-	12,023,130
Intermediate sources	-	-	-	-	-	-	-	48
State sources	-	-	-	-	-	-	-	30,632,950
Federal sources	-	113,780	-	187,874	-	-	-	4,170,200
Interfund loans	-	-	-	-	-	-	-	2,869,000
Other receipts	-	-	-	-	-	-	8,638,417	14,301,675
Total receipts	-	113,780	-	187,874	-	-	8,638,417	63,997,003
Disbursements:								
Instruction	-	-	(716)	117,520	18,737	-	-	24,076,205
Support services	-	78,945	-	64,801	-	590	-	17,278,814
Noninstructional services	-	-	-	6,613	-	-	-	3,129,327
Facilities acquisition and construction	-	-	-	-	-	-	-	3,227,291
Debt service	-	-	-	-	-	-	-	3,434,082
Nonprogrammed charges	-	-	-	-	-	-	8,662,672	14,046,428
Interfund loans	-	-	1,000	15,000	-	-	-	2,904,073
Total disbursements	-	78,945	284	203,934	18,737	590	8,662,672	68,096,220
Excess (deficiency) of receipts over disbursements	-	34,835	(284)	(16,060)	(18,737)	(590)	(24,255)	(4,099,217)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	6,371
Transfers in	-	-	-	-	-	-	-	852,999
Transfers out	-	-	-	-	-	-	-	(817,926)
Total other financing sources (uses)	-	-	-	-	-	-	-	41,444
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	34,835	(284)	(16,060)	(18,737)	(590)	(24,255)	(4,057,773)
Cash and investments - ending	\$ -	\$ 42,922	\$ -	\$ (12,087)	\$ (3,342)	\$ (590)	\$ -	\$ 8,732,854

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 1,474,590	\$ 212	\$ 915	\$ 4,580	\$ 2,963	\$ 33,769	\$ 1,921,496	\$ 4,030,212	\$ 881,927
Receipts:									
Local sources	329,320	5,229,427	636,703	5,427,951	5,848,153	269,306	-	-	751,074
Intermediate sources	35	-	-	-	-	-	-	-	-
State sources	29,888,268	-	-	-	-	-	-	-	16,944
Federal sources	-	-	-	-	-	-	-	-	1,666,725
Interfund loans	-	-	-	-	-	50,000	1,428,000	360,000	-
Other receipts	47,625	65,859	-	2,051	755	-	-	63,514	-
Total receipts	<u>30,265,248</u>	<u>5,295,286</u>	<u>636,703</u>	<u>5,430,002</u>	<u>5,848,908</u>	<u>319,306</u>	<u>1,428,000</u>	<u>423,514</u>	<u>2,434,743</u>
Disbursements:									
Instruction	20,170,533	-	-	-	-	-	450,553	-	-
Support services	8,802,514	-	-	2,243,271	3,054,768	351,004	162,846	-	290
Noninstructional services	681,689	-	-	-	-	-	-	-	2,438,112
Facilities acquisition and construction	-	-	-	975,792	-	-	-	4,450,649	-
Debt service	-	3,170,996	389,748	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	91,643	-	-	-	100,000
Interfund loans	-	92,000	201,000	65,000	850,000	-	800,000	-	-
Total disbursements	<u>29,654,736</u>	<u>3,262,996</u>	<u>590,748</u>	<u>3,284,063</u>	<u>3,996,411</u>	<u>351,004</u>	<u>1,413,399</u>	<u>4,450,649</u>	<u>2,538,402</u>
Excess (deficiency) of receipts over disbursements	<u>610,512</u>	<u>2,032,290</u>	<u>45,955</u>	<u>2,145,939</u>	<u>1,852,497</u>	<u>(31,698)</u>	<u>14,601</u>	<u>(4,027,135)</u>	<u>(103,659)</u>
Other financing sources (uses):									
Sale of capital assets	5,240	-	-	-	-	-	-	-	-
Transfers in	41,448	679	-	-	-	-	950,000	-	-
Transfers out	-	(39,559)	-	-	(950,000)	-	-	-	-
Total other financing sources (uses)	<u>46,688</u>	<u>(38,880)</u>	<u>-</u>	<u>-</u>	<u>(950,000)</u>	<u>-</u>	<u>950,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>657,200</u>	<u>1,993,410</u>	<u>45,955</u>	<u>2,145,939</u>	<u>902,497</u>	<u>(31,698)</u>	<u>964,601</u>	<u>(4,027,135)</u>	<u>(103,659)</u>
Cash and investments - ending	<u>\$ 2,131,790</u>	<u>\$ 1,993,622</u>	<u>\$ 46,870</u>	<u>\$ 2,150,519</u>	<u>\$ 905,460</u>	<u>\$ 2,071</u>	<u>\$ 2,886,097</u>	<u>\$ 3,077</u>	<u>\$ 778,268</u>

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

	Textbook Rental	Self- Insurance	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven	Donation	State General Fund	Eco - 15 Grant
Cash and investments - beginning	\$ 3,061	\$ 900,379	\$ 75,620	\$ 6,313	\$ -	\$ -	\$ 6,763	\$ 678	\$ (16,376)
Receipts:									
Local sources	163,312	5,539,577	-	-	-	-	2,500	-	53,504
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	214,535	-	-	-	49,781	7,685	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	75,000	315,000	-	-	-	-	-	-	-
Other receipts	248	-	-	-	-	-	-	-	-
Total receipts	453,095	5,854,577	-	-	49,781	7,685	2,500	-	53,504
Disbursements:									
Instruction	-	-	-	-	49,781	-	-	-	55,923
Support services	275,448	6,743,378	-	-	-	7,685	6,583	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	10,007	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	220,000	-	-	-	-	-	-	-	-
Total disbursements	495,448	6,753,385	-	-	49,781	7,685	6,583	-	55,923
Excess (deficiency) of receipts over disbursements	(42,353)	(898,808)	-	-	-	-	(4,083)	-	(2,419)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	39,559	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(678)	-
Total other financing sources (uses)	39,559	-	-	-	-	-	-	(678)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,794)	(898,808)	-	-	-	-	(4,083)	(678)	(2,419)
Cash and investments - ending	\$ 267	\$ 1,571	\$ 75,620	\$ 6,313	\$ -	\$ -	\$ 2,680	\$ -	\$ (18,795)

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

	Instruction Support	High Ability Grant	Education Technology	Adult and Continuing Education	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 1,531	\$ (434,602)	\$ 1	\$ 96,564	\$ -	\$ 1,094	\$ -	\$ -
Receipts:									
Local sources	-	-	-	121,999	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	42,509	-	-	-	39,197	4,855	4,017	168,760	36,763
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	434,602	-	-	-	-	-	1,135
Total receipts	42,509	-	434,602	121,999	39,197	4,855	4,017	168,760	37,898
Disbursements:									
Instruction	26,341	1,531	-	191,004	-	4,855	-	162,555	1,135
Support services	-	-	-	-	-	-	-	-	36,763
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	26,341	1,531	-	191,004	-	4,855	-	162,555	37,898
Excess (deficiency) of receipts over disbursements	16,168	(1,531)	434,602	(69,005)	39,197	-	4,017	6,205	-
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	16,168	(1,531)	434,602	(69,005)	39,197	-	4,017	6,205	-
Cash and investments - ending	\$ 16,168	\$ -	\$ -	\$ (69,004)	\$ 135,761	\$ -	\$ 5,111	\$ 6,205	\$ -

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

	Title I	Title I 2013-2014	Title I Migrant	IDEA	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	FY 2010 Part B, IDEA	Federal Assistance Educational Preschool Handicapped	Special Ed Preschool
Cash and investments - beginning	\$ 2	\$ (69,307)	\$ (10,423)	\$ (25,152)	\$ (25,396)	\$ (124,133)	\$ -	\$ (31,330)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	863,452	69,307	10,423	35,035	717,719	411,672	-	31,330
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>863,452</u>	<u>69,307</u>	<u>10,423</u>	<u>35,035</u>	<u>717,719</u>	<u>411,672</u>	<u>-</u>	<u>31,330</u>
Disbursements:								
Instruction	887,245	-	-	-	413,574	229,341	-	-
Support services	3,027	-	-	9,883	376,372	111,165	-	-
Noninstructional services	14,709	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	51,121	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>956,102</u>	<u>-</u>	<u>-</u>	<u>9,883</u>	<u>789,946</u>	<u>340,506</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(92,650)</u>	<u>69,307</u>	<u>10,423</u>	<u>25,152</u>	<u>(72,227)</u>	<u>71,166</u>	<u>-</u>	<u>31,330</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(92,650)</u>	<u>69,307</u>	<u>10,423</u>	<u>25,152</u>	<u>(72,227)</u>	<u>71,166</u>	<u>-</u>	<u>31,330</u>
Cash and investments - ending	<u>\$ (92,648)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,623)</u>	<u>\$ (52,967)</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Preschool Federal FY 2010 CO	Medicaid Reimbursement - Federal	Outward Bound	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	McKinney - Vento Education for Homeless	Payroll Clearing Accounts	Totals
Cash and investments - beginning	\$ -	\$ 42,922	\$ -	\$ (12,087)	\$ (3,342)	\$ (590)	\$ -	\$ 8,732,854
Receipts:								
Local sources	-	-	-	-	-	-	-	24,372,826
Intermediate sources	-	-	-	-	-	-	-	35
State sources	-	-	-	-	7,470	-	-	30,480,784
Federal sources	-	115,417	-	186,247	-	22,500	-	4,129,827
Interfund loans	-	-	-	-	-	-	-	2,228,000
Other receipts	-	-	-	-	-	-	8,179,234	8,795,023
Total receipts	-	115,417	-	186,247	7,470	22,500	8,179,234	70,006,495
Disbursements:								
Instruction	30,721	-	-	112,817	1,691	-	-	22,789,600
Support services	-	154,040	-	71,406	-	22,245	-	22,432,688
Noninstructional services	-	-	-	1,398	-	-	-	3,135,908
Facilities acquisition and construction	-	-	-	-	-	-	-	5,436,448
Debt service	-	-	-	-	-	-	-	3,560,744
Nonprogrammed charges	-	-	-	-	-	-	8,179,234	8,421,998
Interfund loans	-	-	-	-	-	-	-	2,228,000
Total disbursements	30,721	154,040	-	185,621	1,691	22,245	8,179,234	68,005,386
Excess (deficiency) of receipts over disbursements	(30,721)	(38,623)	-	626	5,779	255	-	2,001,109
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	5,240
Transfers in	-	-	-	-	-	-	-	1,031,686
Transfers out	-	-	-	-	-	-	-	(990,237)
Total other financing sources (uses)	-	-	-	-	-	-	-	46,689
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(30,721)	(38,623)	-	626	5,779	255	-	2,047,798
Cash and investments - ending	\$ (30,721)	\$ 4,299	\$ -	\$ (11,461)	\$ 2,437	\$ (335)	\$ -	\$ 10,780,652

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Jennings County School Building Corporation	Sand Creek Elem Construction	\$ 908,000	1/15/2009	1/15/2019
Jennings County School Building Corporation	Scipio-Brush-MS 2014 A	111,500	8/14/2014	1/5/2027
Jennings County School Building Corporation	JCHS Renovation/Addition	844,000	7/15/2009	1/15/2020
Jennings County School Building Corporation	Scipio-Brush-MS 2014 B Taxable	444,000	8/14/2014	1/15/2018
Jennings County School Building Corporation	2014 HVAC A	66,000	6/19/2014	1/15/2028
Jennings County School Building Corporation	2014 HVAC B	70,500	6/19/2014	1/15/2028
Jennings County School Building Corporation	2014 HVAC C	71,500	6/19/2014	1/15/2028
Jennings County School Building Corporation	2015 HVAC	<u>26,253</u>	7/23/2015	1/15/2020
Total governmental activities		<u>2,541,753</u>		
Total of annual lease payments		<u>\$ 2,541,753</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Qualified School Construction Bonds		\$ 1,045,228	\$ 450,761
General obligation bonds	SB 199 Pension Bonds		1,525,000	384,395
Notes and loans payable	Common School Loans for Technology		<u>779,701</u>	<u>242,344</u>
Total governmental activities			<u>3,349,929</u>	<u>1,077,500</u>
Totals			<u>\$ 3,349,929</u>	<u>\$ 1,077,500</u>

JENNINGS 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	\$ 83,770
Buildings	51,001,069
Machinery, equipment, and vehicles	11,473,881
Improvements other than buildings	7,720,134
Total governmental activities	70,278,854
Total capital assets	\$ 70,278,854

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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 JENNINGS COUNTY SCHOOL
CORPORATION, JENNINGS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in item 2015-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with its Title I Grants to Local Educational Agencies regarding Eligibility. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Title I Grants to Local Educational Agencies regarding Eligibility, described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

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, 2015-005, and 2015-007. 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

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

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 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008, and 2015-009 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

September 19, 2017

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.

JENNINGS 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
Department of Education					
Adult Education - Basic Grants to States Adult Education	Indiana Department of Education	84.002	CI-3-AE-2-87 CI-4-AE-3-87	\$ 9,914 19,749	\$ - 28,395
Total - Adult Education - Basic Grants to States				<u>29,663</u>	<u>28,395</u>
Special Education Cluster (IDEA) Special Education_Grants to States	Indiana Department of Education	84.027	14212-072-PN01 14213-072-PN01 14214-072-PN01 14215-072-PN01 99914-072-PN01	41,555 422,012 727,514 - 13,043	- 63,452 386,279 679,660 35,035
Total - Special Education_Grants to States				<u>1,204,124</u>	<u>1,164,426</u>
Special Education_Preschool Grants	Indiana Department of Education	84.173	45713-072-PN01 45714-072-PN01	33,586 -	- 31,330
Total - Special Education_PreSchool Grants				<u>33,586</u>	<u>31,330</u>
Total - Special Education Cluster (IDEA)				<u>1,237,710</u>	<u>1,195,756</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	13-4015 14-4015 15-4015	65,453 957,554 -	- 79,729 863,452
Total - Title I Grants to Local Educational Agencies				<u>1,023,007</u>	<u>943,181</u>
Education for Homeless Children and Youth	Indiana Department of Education	84.196	A58-4-14-1789	-	22,500

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

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the 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>					
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367			
			11-4015	27,402	-
			12-4015	160,472	39,257
			13-4015	-	146,990
				<u>187,874</u>	<u>186,247</u>
Total - Supporting Effective Instruction State Grants					
English Language Acquisition State Grants	Lawrenceburg Community School Corporation	84.365			
			FY14-15	-	7,470
				<u>-</u>	<u>7,470</u>
Total - Department of Education				<u>2,468,340</u>	<u>2,383,549</u>
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY13-14	405,144	-
			FY14-15	-	410,248
				<u>405,144</u>	<u>410,248</u>
Total - School Breakfast Program					
National School Lunch Program	Indiana Department of Education				
School Lunch		10.555	FY13-14	1,202,685	-
School Lunch		10.555	FY14-15	-	1,256,477
School Lunch Commodities		10.555	FY13-14	173,007	-
School Lunch Commodities		10.555	FY14-15	-	173,979
				<u>1,375,692</u>	<u>1,430,456</u>
Total - National School Lunch Program					
Total - Child Nutrition Cluster				<u>1,780,836</u>	<u>1,840,704</u>
Total - Department of Agriculture				<u>1,780,836</u>	<u>1,840,704</u>
Total federal awards expended				<u>\$ 4,259,090</u>	<u>\$ 4,224,253</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (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.

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

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 except for Title I Grants to Local Educational Agencies, which was Qualified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Special Education Cluster (IDEA)
84.367	Title I Grants to Local Educational Agencies Supporting Effective Instruction State Grants

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2015-001

Subject: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

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

Context

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts and cash. The Deputy Treasurer is primarily responsible for issuing receipts, posting receipts, making bank deposits, and performing the monthly bank reconciliation. There was no documentation of a control in place to prevent or detect errors.

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 of the School Corporation had not established a proper system of internal control.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the financial transactions and reporting.

Views of Responsible Officials

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

FINDING 2015-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

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

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 Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties documented, such as an oversight, review, approval process, or other compensating control.

Context

During the audit of the SEFA, there were the following errors:

1. The Adult Education - Basic Grants to States program was omitted resulting in an understatement of \$58,058.
2. The Special Education Cluster (IDEA) was understated by \$349,387.
3. The Title I Grants to Local Educational Agencies program was understated by \$998,211.
4. The Education for Homeless Children and Youth program was understated by \$22,500.
5. The Supporting Effective Instruction State Grants program was understated by \$7,954.
6. The Child Nutrition Cluster was omitted resulting in an understatement of \$3,621,540.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

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. . . ."

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

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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 remained undetected. The SEFA contained the errors identified in the *Condition*.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the SEFA.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-003

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-072-PN01, 14213-072-PN01,
14214-072-PN01, 14215-072-PN01,
99914-072-PN01, 45713-072-PN01,
45714-072-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

Management of the School Corporation had not established an effective internal control system over requirements relating to the Allowable Costs/Cost Principles compliance requirement.

The School Corporation was required to maintain Semi-Annual Certifications and Personnel Activity Reports on all full-time and part-time employees paid from the grant. There were no Semi-Annual Certifications and Personnel Activity Reports maintained by the School Corporation for full-time or part-time employees paid from the grant during the audit period.

Context

The lack of controls and noncompliance was a systemic problem during 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. . . ."

OMB Circular A-87, Attachment B, item 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

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

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with requirements outlined above.

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 to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

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

Subject: Special Education Cluster (IDEA) - Cash Management and Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-072-PN01, 14213-072-PN01,
14214-072-PN01, 14215-072-PN01,
99914-072-PN01, 45713-072-PN01,
45714-072-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Finding: Material Weakness

Condition

Management of the School Corporation had not established an effective internal control system over requirements relating to the Cash Management and Reporting compliance requirements.

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

Cash Management

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Reporting

The School Corporation had one employee primarily responsible for completing and submitting reimbursement requests. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Context

The lack of internal controls was a systemic problem affecting all grant awards listed above.

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 the 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.

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

FINDING 2015-005

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 13-4015, 14-4015, 15-4015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Cost/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

Management of the School Corporation had not established an effective internal control system over requirements relating to the Allowable Costs/Cost Principles compliance requirement. The School Corporation did not complete Semi-Annual Certifications for Title I staff.

Context

The lack of controls and noncompliance was a systemic problem during 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. . . ."

OMB Circular A-87, Attachment B, item 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 that would have ensured compliance with requirements outlined above.

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.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2015-006

Subject: Internal Controls over Title I Grants to Local Educational Agencies

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-4015, 14-4015, 15-4015

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting, and Special Tests and Provisions -
Comparability, Special Tests and Provisions - Schoolwide Programs,
Special Tests and Provisions - Annual Report Card, High School
Graduation Rate

Audit Finding: Material Weakness

Condition

Management of the School Corporation had not established an effective internal control system over compliance requirements relating to Cash Management, Reporting, Special Tests and Provisions - Comparability, Special Tests and Provisions - Schoolwide Programs, and Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

Cash Management

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Reporting

The School Corporation had one employee primarily responsible for completing and submitting required reports. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Special Tests and Provisions - Comparability

The School Corporation had one employee primarily responsible for completing and submitting the required Comparability reports. There was no evidence to suggest proper segregation of duties such as an oversight, review, approval process, or other compensating control.

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

Special Tests and Provisions - Schoolwide Programs

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Schoolwide Programs requirement. The School Corporation operated a schoolwide program and eligibility was based on the Average Daily Membership (ADM) and poverty levels. One person was responsible for completing the Title I application and including the ADM and poverty levels. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Special Tests and Provisions - Annual Report Card, High School Graduation Rate

The School Corporation had one employee responsible for obtaining documentation to support a student's removal from the cohort. There was no oversight or review process in place to ensure compliance with this requirement.

Context

The lack of internal controls was a systemic problem affecting all grant awards listed above.

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 the 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 program.

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.

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

FINDING 2015-007

Subject: Supporting Effective Instruction State Grants - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Supporting Effective Instruction State Grants
CFDA Number: 84.367
Federal Award Numbers and Years (or Other Identifying Numbers): 11-4015, 12-4015, 13-4015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

Management of the School Corporation had not established an effective internal control system over requirements relating to Allowable Costs/Cost Principles compliance requirement.

The School Corporation was required to maintain Semi-Annual Certifications on all full-time and part-time employees paid from the grant. There were Semi-Annual Certifications maintained by the School Corporation for full-time or part-time employees paid from the grant during the audit period.

Context

The lack of controls and noncompliance was a systemic problem during 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. . . ."

OMB Circular A-87, Attachment B, item 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 that would have ensured compliance with requirements outlined above.

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.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2015-008

Subject: Supporting Effective Instruction State Grants - Cash Management and Reporting
Federal Agency: Department of Education
Federal Program: Supporting Effective Instruction State Grants
CFDA Number: 84.367
Federal Award Numbers and Years (or Other Identifying Numbers): 11-4015, 12-4015, 13-4015
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting
Audit Finding: Material Weakness

Condition

Management of the School Corporation had not established an effective internal control system over requirements relating to the Cash Management and Reporting compliance requirements.

Cash Management

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Reporting

The School Corporation had one employee primarily responsible for completing and submitting reimbursement requests. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Context

The lack of internal controls was a systemic problem affecting all grant awards listed above.

JENNINGS 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 the 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 program.

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 2015-009

Subject: Title I Grants to Local Educational Agencies – Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-4015, 14-4015, 15-4015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Scope Limitation/Modified Opinion

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

Condition

Eligibility - Group or Area

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the enrollment and poverty data for both public and nonpublic schools reported in the grant applications were maintained and made available for audit. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control. Documentation was not presented for audit to support enrollment and poverty figures of the nonpublic schools entered in the eligible schools summary in the grant application.

Eligibility - Individuals

The School Corporation had not designed or implemented adequate policies or procedures to ensure that documentation was maintained and made available for audit to determine if all students receiving Title I benefits were eligible. There was no documentation presented for audit to show an oversight, review, approval process, or other compensating control. There was no documentation presented for audit to support individual eligibility for 30 out of 40 students selected for testing.

Context

The lack of internal controls was a systemic problem affecting all grant awards listed above.

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. . . ."

34 CFR 74.53(b) states in part:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Secretary. . . ."

Cause

Management had not developed a system of internal controls to ensure that documentation was maintained and made available for audit.

Effect

The failure to maintain and provide appropriate documentation prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure that documentation is maintained and made available for audit relating to the Eligibility compliance requirement.

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.

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent
Phone: (812) 346-4483
Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In the fall of 2015 JCSC Business Office began having the Treasurer (Amber Fields) reviewing the Bank Statement reconciliation after completion by the Deputy Treasurer (Myra Fischvogt). In addition, the Accounts Payable person (Dee Dee Lane) began in January of 2017, also reviewing deposits and bank reconciliations.

Anticipated Completion Date: Immediately

Amber Fields
(Signature)

Treasurer
(Title)

8-25-17
(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer

Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In the future, we will make sure to get better instructions on entering Federal Grant information into Gateway. After information has been entered into Gateway by the Treasurer (Amber Fields), the Deputy Treasurer will review (Myra Fischvogt).

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer

Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

From this point forward, all JCSC employees paid 100% from a Federal Grant will complete a semi-annual Time & Effort Log, reviewed and signed by the Director of the program. JCSC employees paid partially from a Federal Grant and also paid from Local funds will complete a Time & Effort Log every pay period to be reviewed by the Director of the Federal program and signed.

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-004

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

With the beginning of the 2016-17 Special Education Grant Cycle, the person preparing the Federal Grant reimbursement for the State will sign the reimbursement; and then have the Director of Special Programs review and sign the reimbursement before submitted to the state for reimbursement.

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent
Phone: (812) 346-4483
Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-005

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

From this point forward, all JCSC employees paid 100% from a Federal Title I Grant will complete a semi-annual Time & Effort Log, reviewed and signed by the Director of the program. JCSC employees paid partially from a Federal Title I Grant and also paid from Local funds will complete a Time & Effort Log every pay period to be reviewed by the Director of the Federal Title I program and signed.

Anticipated Completion Date: Immediately

Amber Fields
(Signature)

Treasurer
(Title)

8-25-17
(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent
Phone: (812) 346-4483
Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-006

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Director of the Title I Federal Program will upon completion of the Title I Comparability report, have another JCSC Administrator (Superintendent) review and sign the report before it is submitted to the State for review. Likewise, before the Title I Grant application is submitted to the State, the Title I Director will have the application reviewed by an Administrator of JCSC (Superintendent) before submission. In addition, the Deputy Treasurer will have any Title I Reimbursement Requests and the Final financial Report reviewed by another Central Office administrator before submission.

Beginning immediately, the JCHS guidance staff (Stephanie Boswell) will print a report monthly of those students removed from their Cohort groups, and the High School Principal (Tom Black) will review and sign the report. The JCSC Superintendent will keep the file of these reports.

Anticipated Completion Date: Immediately

Amber Fields
(Signature)

Treasurer
(Title)

August 31, 2017
(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-007

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer

Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

From this point forward, all JCSC employees paid 100% from a Federal Title II Grant will complete a semi-annual Time & Effort Log, reviewed and signed by the Director of the program. JCSC employees paid partially from a Federal Title II Grant and also paid from Local funds, will complete a Time & Effort Log every pay period to be reviewed by the Director of the Federal Title II program and signed

Anticipated Completion Date: Immediately

Amber Fields
(Signature)

Treasurer
(Title)

8-25-17
(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-008

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Beginning immediately, the person preparing the Federal Title II Grant reimbursements for the State, will sign the reimbursement; and then have the Director of the Federal Title II Program review and sign the reimbursement before submitted to the state for reimbursement.

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent
Phone: (812) 346-4483
Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2015-009

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Beginning immediately, the JCHS Food Service Director (Susan Harding) will provide copies of the student poverty data and approval process for both public and non-public schools to the Food Service financial data employee to review before submission.

In addition, any student recommended for the Title I Program by a teacher will have all documentation reviewed by the Title I Director or administrator of the district, to certify eligibility of the student.

Anticipated Completion Date: Immediately

Amber Fields
(Signature)

Treasurer
(Title)

August 31, 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/>.