

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

JAY COUNTY SCHOOL CORPORATION  
JAY COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
05/18/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Bradley T. DeRome	07-01-14 to 07-25-16
	Violet Current (interim)	07-26-16 to 10-30-16
	Bradley T. DeRome	10-31-16 to 06-30-18
Superintendent of Schools	Dr. Timothy D. Long	07-01-14 to 07-25-16
	Bradley T. DeRome (interim)	07-26-16 to 10-30-16
	Jeremy Gulley	10-31-16 to 06-30-18
President of the School Board	Michael A. Masters	07-01-14 to 12-31-15
	Kristi Betts	01-01-16 to 12-31-17
	Phil Ford	01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Jay County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, 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, 2014 to June 30, 2016.

***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, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2018, 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 solely 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 effectiveness of the School Corporation's 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

April 19, 2018



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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 JAY COUNTY SCHOOL CORPORATION, JAY COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Jay County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated April 19, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2016-001.

**Jay 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

April 19, 2018

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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.

JAY COUNTY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 1,273,761	\$ 24,614,020	\$ 25,305,255	\$ 597,531	\$ 1,180,057	\$ 24,724,648	\$ 24,916,190	\$ 38,251	\$ 1,026,766
Debt Service	1,972,382	3,833,681	3,561,031	(179,802)	2,065,230	3,861,881	3,805,939	-	2,121,172
Retirement/Severance Bond Debt Service	560,047	999,876	983,541	-	576,382	946,056	980,364	-	542,074
Capital Projects	1,456,243	4,025,263	4,672,802	-	808,704	4,129,660	3,484,315	-	1,454,049
School Transportation	289,588	2,311,576	2,315,198	-	285,966	2,444,191	2,391,951	-	338,206
School Bus Replacement	19,155	-	-	-	19,155	-	5,109	-	14,046
Rainy Day	7,742	-	7,000	-	742	70,040	-	-	70,782
School Lunch	88,428	1,608,467	1,709,996	-	(13,101)	1,827,745	1,690,801	-	123,843
Textbook Rental	505,740	279,744	491,765	109,802	403,521	506,241	461,248	-	448,514
Self-Insurance	534,237	344,927	876,233	-	2,931	-	2,904	(27)	-
Fully Funded Insurance	-	212,489	112,584	-	99,905	-	99,905	-	-
Levy Excess	-	6	-	-	6	-	-	(6)	-
Educational License Plates	563	263	-	(700)	126	188	-	(181)	133
Early Intervention FY 2012-13	10	-	10	-	-	-	-	-	-
Early Intervention FY 2013-14	54,720	-	35,013	-	19,707	-	2,174	-	17,533
14/15 Early Intervention	-	58,000	39,867	-	18,133	-	18,133	-	-
15/16 Early Intervention	-	-	-	-	-	53,931	-	-	53,931
Instructional Support	2,553	18,602	2,269	(15,780)	3,106	37,405	1,181	(27,266)	12,064
Elementary Donation	21,616	44,524	70,873	5,000	267	81,496	109,467	8,014	(19,690)
JC Robotics	-	-	-	-	-	1,808	-	-	1,808
JC Promise 529	-	-	-	-	-	24,378	-	-	24,378
Charity Gaming	-	1,673	1,524	-	149	1,619	1,818	-	(50)
Miscellaneous Programs	-	230	230	-	-	-	-	-	-
Employee Flu Vaccine	2,478	558	1,352	-	1,684	-	-	(1,684)	-
Criminal Background Checks	806	4,242	4,109	-	939	2,784	2,930	-	793
Indiana China Initiative	886	-	-	(886)	-	-	-	-	-
Foreign Travel Fund	8,258	-	-	(8,258)	-	-	-	-	-
Formative Assessment	-	-	-	-	-	5,195	-	-	5,195
Gifted and Talented FY 2013-14	24,387	-	24,387	-	-	-	-	-	-
13/14 GT Grant	-	39,506	30,770	-	8,736	-	8,736	-	-
15/16 GT Grant	-	-	-	-	-	39,657	22,456	-	17,201
VIE Greenhouse	2,440	2,833	3,263	-	2,010	1,244	3,190	-	64
Instruction Support	4,375	607	2,505	-	2,477	4,679	1,721	-	5,435
Vocational Home Economics	750	250	999	-	1	-	-	-	1
Tech Prep	-	5,836	17,906	-	(12,070)	146,940	134,868	-	2
2014 Common School Loan	-	321,800	321,800	-	-	-	-	-	-
2016 Common School Loan	-	-	-	-	-	-	39,950	-	(39,950)
Adult and Continuing Education	2,151	-	-	-	2,151	-	-	-	2,151
Adult Education State Revenue	(7,928)	11,556	3,628	-	-	-	-	-	-
14/15 ABE State Grant	-	40,794	40,794	-	-	-	-	-	-
15/16 Adult Basic Ed State	-	-	-	-	-	42,194	44,875	-	(2,681)
Secured Schools Safety Grant	(24,250)	14,163	(10,087)	-	-	9,510	9,510	-	-

JAY COUNTY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2015 and 2016

Fund	Cash and	Receipts	Disbursements	Other	Cash and	Receipts	Disbursements	Other	Cash and
	Investments			Financing	Investments			Financing	Investments
	07-01-14			Sources (Uses)	06-30-15			Sources (Uses)	06-30-16
2015 School Safety Grant	-	-	12,528	-	(12,528)	12,912	384	-	-
ECA Coca-Cola	4,248	12,507	8,648	(5,000)	3,107	9,631	2,698	(6,330)	3,710
14/15 NESP Grant	-	6,871	6,871	-	-	-	-	-	-
15-16 NESP Grant	-	-	-	-	-	18,767	18,023	-	744
School Technology	13,202	116,675	123,890	-	5,987	59,381	36,377	-	28,991
Miscellaneous Programs	29	-	29	-	-	-	-	-	-
Title I FY 2013-14	(20,955)	188,075	167,119	-	1	-	-	-	1
14/15 Title I Grant	-	708,222	816,475	-	(108,253)	278,313	170,062	-	(2)
Title I School Improvement	-	2,000	4,000	-	(2,000)	18,057	16,058	-	(1)
15/16 Title I Grant	-	-	-	-	-	729,336	753,345	-	(24,009)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	144	257	-	(113)	11,322	11,210	-	(1)
12-13 105-17	-	166	166	-	-	-	-	-	-
P.L. 105-17 FY 2013-14	(23,111)	107,429	84,318	-	-	-	-	-	-
15/16 105-17 Grant	-	628,783	676,102	-	(47,319)	171,312	137,766	-	(13,773)
15/16 105-17 Part B Grant	-	-	-	-	-	708,586	741,645	-	(33,059)
Preschool Handicapped FY 2013-14	(1,828)	7,182	5,354	-	-	-	-	-	-
14/15 Preschool Handicap	-	24,463	39,383	-	(14,920)	15,765	845	-	-
15-16 Preschool Handicap	-	-	-	-	-	24,436	34,406	-	(9,970)
Adult Basic Education FY 2013-14	(5,330)	18,682	13,351	-	1	-	-	-	1
14/15 ABE Federal Funds	-	19,198	25,679	-	(6,481)	6,932	452	-	(1)
15/16 Federal Abe	-	-	-	-	-	14,830	25,098	-	(10,268)
Area 18 Perkins Grant	-	63,547	63,546	-	1	-	-	-	1
15/16 Perkins Grant	-	-	-	-	-	59,969	59,969	-	-
21st Century Learning Center	2,663	700	-	-	3,363	3,200	-	-	6,563
Title II, Part A FY 2013-15	(5,495)	96,032	86,211	(4,324)	2	-	-	-	2
14/16 Title II Part A	-	40,798	51,257	-	(10,459)	107,950	93,030	(4,462)	(1)
Title II Part A Improve Teach	-	-	-	-	-	29,698	50,368	-	(20,670)
Rural Schools and Low Income Program FY 2013-14	14,080	16,378	34,656	-	(4,198)	9,086	4,888	-	-
FY 14 Rural and Low Income Grn	-	-	-	-	-	32,783	33,678	-	(895)
FY 15 Rural and Low Income	-	-	-	-	-	17,462	43,353	-	(25,891)
Non-English Speaking Computer FY 2013-14	(8,642)	20,736	12,094	-	-	-	-	-	-
6886 Title III ESL Grant	-	5,008	5,650	-	(642)	16,613	15,972	-	(1)
Title III ESL Grant	-	-	-	-	-	7,193	7,298	-	(105)
Prepaid Food/Trust Acct	17,938	593,796	607,488	-	4,246	524,878	542,090	-	(12,966)
Insurance Premium Holding Account	-	-	-	-	-	208,397	167,186	-	41,211
Payroll Withholding/Clearing	106,600	6,599,134	6,585,126	-	120,608	6,421,536	6,406,326	-	135,818
Totals	\$ 6,894,537	\$ 48,072,012	\$ 50,056,815	\$ 497,583	\$ 5,407,317	\$ 48,481,835	\$ 47,612,262	\$ 6,309	\$ 6,283,199

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

JAY 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.

JAY COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

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

*Instruction.* Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

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

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

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

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

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

*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.

JAY COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other Financing Sources and Uses*

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

*Sale of capital assets.* 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

JAY COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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

JAY COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up as reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

Additionally, some other funds reported cash deficit balances as a result of disbursements exceeding receipts and timing variances.

JAY COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8.  *Holding Corporation***

The School Corporation has entered into a capital lease with the Building Corporation of Jay Schools (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2015 and 2016 totaled \$2,866,000 and \$3,330,000, respectively.

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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 Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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JAY 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	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 1,273,761	\$ 1,972,382	\$ 560,047	\$ 1,456,243	\$ 289,588	\$ 19,155	\$ 7,742	\$ 88,428	\$ 505,740	\$ 534,237
Receipts:										
Local sources	386,371	3,833,681	999,876	3,125,263	2,311,576	-	-	591,274	134,197	344,927
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	24,227,649	-	-	-	-	-	-	12,863	145,547	-
Federal sources	-	-	-	-	-	-	-	918,390	-	-
Temporary loans	-	-	-	900,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	85,940	-	-
Total receipts	24,614,020	3,833,681	999,876	4,025,263	2,311,576	-	-	1,608,467	279,744	344,927
Disbursements:										
Instruction	17,480,432	-	-	-	-	-	-	-	-	11,892
Support services	6,970,096	-	-	2,294,300	2,291,625	-	7,000	-	491,765	612
Noninstructional services	432,302	-	-	-	-	-	-	1,709,996	-	-
Facilities acquisition and construction	-	-	-	1,278,502	23,573	-	-	-	-	-
Debt service	17,425	3,561,031	983,541	1,100,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	863,729
Interfund loans	405,000	-	-	-	-	-	-	-	-	-
Total disbursements	25,305,255	3,561,031	983,541	4,672,802	2,315,198	-	7,000	1,709,996	491,765	876,233
Excess (deficiency) of receipts over disbursements	(691,235)	272,650	16,335	(647,539)	(3,622)	-	(7,000)	(101,529)	(212,021)	(531,306)
Other financing sources (uses):										
Sale of capital assets	92,584	-	-	-	-	-	-	-	-	-
Transfers in	504,947	90,000	-	-	170,000	-	-	-	324,802	-
Transfers out	-	(269,802)	-	-	(170,000)	-	-	-	(215,000)	-
Total other financing sources (uses)	597,531	(179,802)	-	-	-	-	-	-	109,802	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(93,704)	92,848	16,335	(647,539)	(3,622)	-	(7,000)	(101,529)	(102,219)	(531,306)
Cash and investments - ending	\$ 1,180,057	\$ 2,065,230	\$ 576,382	\$ 808,704	\$ 285,966	\$ 19,155	\$ 742	\$ (13,101)	\$ 403,521	\$ 2,931

JAY 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

	Fully Funded Insurance	Levy Excess	Educational License Plates	Early Intervention FY 2012-13	Early Intervention FY 2013-14	14/15 Early Intervention	15/16 Early Intervention	Instructional Support	Elementary Donation	JC Robotics
Cash and investments - beginning	\$ -	\$ -	\$ 563	\$ 10	\$ 54,720	\$ -	\$ -	\$ 2,553	\$ 21,616	\$ -
Receipts:										
Local sources	-	6	-	-	-	-	-	18,602	44,524	-
Intermediate sources	-	-	263	-	-	-	-	-	-	-
State sources	-	-	-	-	-	58,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	212,489	-	-	-	-	-	-	-	-	-
Total receipts	212,489	6	263	-	-	58,000	-	18,602	44,524	-
Disbursements:										
Instruction	-	-	-	-	1,562	-	-	2,269	64,640	-
Support services	-	-	-	10	33,451	39,867	-	-	6,233	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	112,584	-	-	-	-	-	-	-	-	-
Total disbursements	112,584	-	-	10	35,013	39,867	-	2,269	70,873	-
Excess (deficiency) of receipts over disbursements	99,905	6	263	(10)	(35,013)	18,133	-	16,333	(26,349)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	5,000	-
Transfers out	-	-	(700)	-	-	-	-	(15,780)	-	-
Total other financing sources (uses)	-	-	(700)	-	-	-	-	(15,780)	5,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	99,905	6	(437)	(10)	(35,013)	18,133	-	553	(21,349)	-
Cash and investments - ending	\$ 99,905	\$ 6	\$ 126	\$ -	\$ 19,707	\$ 18,133	\$ -	\$ 3,106	\$ 267	\$ -

JAY 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

	JC Promise 529	Charity Gaming	Miscellaneous Programs	Employee Flu Vaccine	Criminal Background Checks	Indiana China Initiative	Foreign Travel Fund	Formative Assessment	Gifted and Talented FY 2013-14	13/14 GT Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,478	\$ 806	\$ 886	\$ 8,258	\$ -	\$ 24,387	\$ -
Receipts:										
Local sources	-	1,673	230	558	4,242	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	39,506
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,673	230	558	4,242	-	-	-	-	39,506
Disbursements:										
Instruction	-	-	230	-	4,109	-	-	-	24,387	30,770
Support services	-	-	-	1,352	-	-	-	-	-	-
Noninstructional services	-	1,524	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,524	230	1,352	4,109	-	-	-	24,387	30,770
Excess (deficiency) of receipts over disbursements	-	149	-	(794)	133	-	-	-	(24,387)	8,736
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(886)	(8,258)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(886)	(8,258)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	149	-	(794)	133	(886)	(8,258)	-	(24,387)	8,736
Cash and investments - ending	\$ -	\$ 149	\$ -	\$ 1,684	\$ 939	\$ -	\$ -	\$ -	\$ -	\$ 8,736

JAY COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	15/16 GT Grant	VIE Greenhouse	Instruction Support	Vocational Home Economics	Tech Prep	2014 Common School Loan	2016 Common School Loan	Adult and Continuing Education	Adult Educational State Revenue	14/15 ABE State Grant
Cash and investments - beginning	\$ -	\$ 2,440	\$ 4,375	\$ 750	\$ -	\$ -	\$ -	\$ 2,151	\$ (7,928)	\$ -
Receipts:										
Local sources	-	2,833	607	250	5,836	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	321,800	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	11,556	40,794
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,833	607	250	5,836	321,800	-	-	11,556	40,794
Disbursements:										
Instruction	-	3,263	2,505	999	-	-	-	-	3,543	40,794
Support services	-	-	-	-	17,906	321,800	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	85	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,263	2,505	999	17,906	321,800	-	-	3,628	40,794
Excess (deficiency) of receipts over disbursements	-	(430)	(1,898)	(749)	(12,070)	-	-	-	7,928	-
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	-	(430)	(1,898)	(749)	(12,070)	-	-	-	7,928	-
Cash and investments - ending	\$ -	\$ 2,010	\$ 2,477	\$ 1	\$ (12,070)	\$ -	\$ -	\$ 2,151	\$ -	\$ -

JAY 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

	15/16 Adult Basic Ed State	Secured Schools Safety Grant	2015 School Safety Grant	ECA Coca-Cola	14/15 NESP Grant	15-16 NESP Grant	School Technology	Miscellaneous Programs	Title I FY 2013-14	14/15 Title I Grant
Cash and investments - beginning	\$ -	\$ (24,250)	\$ -	\$ 4,248	\$ -	\$ -	\$ 13,202	\$ 29	\$ (20,955)	\$ -
Receipts:										
Local sources	-	-	-	12,507	-	-	114,473	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	14,163	-	-	6,871	-	2,202	-	-	-
Federal sources	-	-	-	-	-	-	-	-	188,075	708,222
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	14,163	-	12,507	6,871	-	116,675	-	188,075	708,222
Disbursements:										
Instruction	-	(10,087)	12,528	-	6,871	-	-	-	146,624	755,856
Support services	-	-	-	-	-	-	123,890	29	19,213	56,323
Noninstructional services	-	-	-	8,648	-	-	-	-	1,282	4,296
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	(10,087)	12,528	8,648	6,871	-	123,890	29	167,119	816,475
Excess (deficiency) of receipts over disbursements	-	24,250	(12,528)	3,859	-	-	(7,215)	(29)	20,956	(108,253)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(5,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(5,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	24,250	(12,528)	(1,141)	-	-	(7,215)	(29)	20,956	(108,253)
Cash and investments - ending	\$ -	\$ -	\$ (12,528)	\$ 3,107	\$ -	\$ -	\$ 5,987	\$ -	\$ 1	\$ (108,253)

JAY COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	Title I School Improvement	15/16 Title I Grant	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	12-13 105-17	P.L. 105-17 FY 2013-14	15/16 105-17 Grant	15/16 105-17 Part B Grant	Preschool Handicapped FY 2013-14	14/15 Preschool Handicap	15-16 Preschool Handicap
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (23,111)	\$ -	\$ -	\$ (1,828)	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	2,000	-	144	166	107,429	628,783	-	7,182	24,463	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	2,000	-	144	166	107,429	628,783	-	7,182	24,463	-
Disbursements:										
Instruction	-	-	-	-	73,603	569,559	-	5,354	39,383	-
Support services	4,000	-	257	166	10,715	106,543	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,000	-	257	166	84,318	676,102	-	5,354	39,383	-
Excess (deficiency) of receipts over disbursements	(2,000)	-	(113)	-	23,111	(47,319)	-	1,828	(14,920)	-
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	(2,000)	-	(113)	-	23,111	(47,319)	-	1,828	(14,920)	-
Cash and investments - ending	\$ (2,000)	\$ -	\$ (113)	\$ -	\$ -	\$ (47,319)	\$ -	\$ -	\$ (14,920)	\$ -

JAY 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

	Adult Basic Education FY 2013-14	14/15 ABE Federal Funds	15/16 Federal Abe	Area 18 Perkins Grant	15/16 Perkins Grant	21st Century Learning Center	Title II, Part A FY 2013-15	14/16 Title II Part A	Title II Part A Improve Teach	Rural Schools and Low Income Program FY 2013-14
Cash and investments - beginning	\$ (5,330)	\$ -	\$ -	\$ -	\$ -	\$ 2,663	\$ (5,495)	\$ -	\$ -	\$ 14,080
Receipts:										
Local sources	-	-	-	-	-	700	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	18,682	19,198	-	63,547	-	-	96,032	40,798	-	16,378
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	18,682	19,198	-	63,547	-	700	96,032	40,798	-	16,378
Disbursements:										
Instruction	13,162	24,945	-	63,546	-	-	82,220	49,307	-	-
Support services	-	734	-	-	-	-	3,991	1,950	-	34,656
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	189	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,351	25,679	-	63,546	-	-	86,211	51,257	-	34,656
Excess (deficiency) of receipts over disbursements	5,331	(6,481)	-	1	-	700	9,821	(10,459)	-	(18,278)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(4,324)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(4,324)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,331	(6,481)	-	1	-	700	5,497	(10,459)	-	(18,278)
Cash and investments - ending	\$ 1	\$ (6,481)	\$ -	\$ 1	\$ -	\$ 3,363	\$ 2	\$ (10,459)	\$ -	\$ (4,198)

JAY 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

	FY 14 Rural and Low Income Grn	FY 15 Rural and Low Income	Non-English Speaking Computer FY 2013-14	6886 Title III ESL Grant	Title III ESL Grant	Prepaid Food/Trust Acct	Insurance Premium Holding Account	Payroll Withholding/ Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (8,642)	\$ -	\$ -	\$ 17,938	\$ -	\$ 106,600	\$ 6,894,537
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,934,206
Intermediate sources	-	-	-	-	-	-	-	-	263
State sources	-	-	-	-	-	-	-	-	24,828,601
Federal sources	-	-	20,736	5,008	-	-	-	-	2,917,583
Temporary loans	-	-	-	-	-	-	-	-	900,000
Other receipts	-	-	-	-	-	593,796	-	6,599,134	7,491,359
Total receipts	-	-	20,736	5,008	-	593,796	-	6,599,134	48,072,012
Disbursements:									
Instruction	-	-	10,598	4,575	-	-	-	-	19,519,439
Support services	-	-	1,496	1,075	-	-	-	-	12,841,055
Noninstructional services	-	-	-	-	-	-	-	-	2,158,048
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,302,075
Debt service	-	-	-	-	-	-	-	-	5,661,997
Nonprogrammed charges	-	-	-	-	-	-	-	-	864,003
Interfund loans	-	-	-	-	-	607,488	-	6,585,126	7,710,198
Total disbursements	-	-	12,094	5,650	-	607,488	-	6,585,126	50,056,815
Excess (deficiency) of receipts over disbursements	-	-	8,642	(642)	-	(13,692)	-	14,008	(1,984,803)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	92,584
Transfers in	-	-	-	-	-	-	-	-	1,094,749
Transfers out	-	-	-	-	-	-	-	-	(689,750)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	497,583
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	8,642	(642)	-	(13,692)	-	14,008	(1,487,220)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (642)	\$ -	\$ 4,246	\$ -	\$ 120,608	\$ 5,407,317

JAY COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 1,180,057	\$ 2,065,230	\$ 576,382	\$ 808,704	\$ 285,966	\$ 19,155	\$ 742	\$ (13,101)	\$ 403,521	\$ 2,931
Receipts:										
Local sources	380,306	3,861,881	946,056	3,029,660	2,444,191	-	70,040	725,362	358,560	-
Intermediate sources	2,739	-	-	-	-	-	-	-	-	-
State sources	24,328,348	-	-	-	-	-	-	13,226	147,681	-
Federal sources	13,255	-	-	-	-	-	-	1,084,685	-	-
Temporary loans	-	-	-	1,100,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	4,472	-	-
Total receipts	24,724,648	3,861,881	946,056	4,129,660	2,444,191	-	70,040	1,827,745	506,241	-
Disbursements:										
Instruction	16,943,379	-	-	-	-	-	-	-	-	-
Support services	7,494,228	-	-	1,689,657	2,373,983	5,109	-	-	461,248	2,904
Noninstructional services	461,158	-	-	-	-	-	-	1,690,801	-	-
Facilities acquisition and construction	-	-	-	894,658	17,968	-	-	-	-	-
Debt service	17,425	3,805,939	980,364	900,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,916,190	3,805,939	980,364	3,484,315	2,391,951	5,109	-	1,690,801	461,248	2,904
Excess (deficiency) of receipts over disbursements	(191,542)	55,942	(34,308)	645,345	52,240	(5,109)	70,040	136,944	44,993	(2,904)
Other financing sources (uses):										
Sale of capital assets	6,308	-	-	-	-	-	-	-	-	-
Transfers in	196,943	-	-	90,000	135,000	-	-	-	120,000	-
Transfers out	(165,000)	-	-	(90,000)	(135,000)	-	-	-	(120,000)	(27)
Total other financing sources (uses)	38,251	-	-	-	-	-	-	-	-	(27)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(153,291)	55,942	(34,308)	645,345	52,240	(5,109)	70,040	136,944	44,993	(2,931)
Cash and investments - ending	\$ 1,026,766	\$ 2,121,172	\$ 542,074	\$ 1,454,049	\$ 338,206	\$ 14,046	\$ 70,782	\$ 123,843	\$ 448,514	\$ -

JAY COUNTY SCHOOL CORPORATION  
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 For the Year Ended June 30, 2016

	Fully Funded Insurance	Levy Excess	Educational License Plates	Early Intervention FY 2012-13	Early Intervention FY 2013-14	14/15 Early Intervention	15/16 Early Intervention	Instructional Support	Elementary Donation	JC Robotics
Cash and investments - beginning	\$ 99,905	\$ 6	\$ 126	\$ -	\$ 19,707	\$ 18,133	\$ -	\$ 3,106	\$ 267	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	37,405	81,496	1,808
Intermediate sources	-	-	188	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	53,931	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	188	-	-	-	53,931	37,405	81,496	1,808
Disbursements:										
Instruction	-	-	-	-	813	-	-	1,181	109,451	-
Support services	99,905	-	-	-	1,361	18,133	-	-	16	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	99,905	-	-	-	2,174	18,133	-	1,181	109,467	-
Excess (deficiency) of receipts over disbursements	(99,905)	-	188	-	(2,174)	(18,133)	53,931	36,224	(27,971)	1,808
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	8,014	-
Transfers out	-	(6)	(181)	-	-	-	-	(27,266)	-	-
Total other financing sources (uses)	-	(6)	(181)	-	-	-	-	(27,266)	8,014	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(99,905)	(6)	7	-	(2,174)	(18,133)	53,931	8,958	(19,957)	1,808
Cash and investments - ending	\$ -	\$ -	\$ 133	\$ -	\$ 17,533	\$ -	\$ 53,931	\$ 12,064	\$ (19,690)	\$ 1,808

JAY COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	JC Promise 529	Charity Gaming	Miscellaneous Programs	Employee Flu Vaccine	Criminal Background Checks	Indiana China Initiative	Foreign Travel Fund	Formative Assessment	Gifted and Talented FY 2013-14	13/14 GT Grant
Cash and investments - beginning	\$ -	\$ 149	\$ -	\$ 1,684	\$ 939	\$ -	\$ -	\$ -	\$ -	\$ 8,736
Receipts:										
Local sources	24,378	1,619	-	-	2,784	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	5,195	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	24,378	1,619	-	-	2,784	-	-	5,195	-	-
Disbursements:										
Instruction	-	-	-	-	2,930	-	-	-	-	8,736
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	1,818	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,818	-	-	2,930	-	-	-	-	8,736
Excess (deficiency) of receipts over disbursements	24,378	(199)	-	-	(146)	-	-	5,195	-	(8,736)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(1,684)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(1,684)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,378	(199)	-	(1,684)	(146)	-	-	5,195	-	(8,736)
Cash and investments - ending	\$ 24,378	\$ (50)	\$ -	\$ -	\$ 793	\$ -	\$ -	\$ 5,195	\$ -	\$ -

JAY COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	15/16 GT Grant	VIE Greenhouse	Instruction Support	Vocational Home Economics	Tech Prep	2014 Common School Loan	2016 Common School Loan	Adult and Continuing Education	Adult Educational State Revenue	14/15 ABE State Grant
Cash and investments - beginning	\$ -	\$ 2,010	\$ 2,477	\$ 1	\$ (12,070)	\$ -	\$ -	\$ 2,151	\$ -	\$ -
Receipts:										
Local sources	-	1,244	4,679	-	146,940	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	39,657	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	39,657	1,244	4,679	-	146,940	-	-	-	-	-
Disbursements:										
Instruction	22,456	3,190	1,721	-	6,965	-	-	-	-	-
Support services	-	-	-	-	127,903	-	39,950	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,456	3,190	1,721	-	134,868	-	39,950	-	-	-
Excess (deficiency) of receipts over disbursements	17,201	(1,946)	2,958	-	12,072	-	(39,950)	-	-	-
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	17,201	(1,946)	2,958	-	12,072	-	(39,950)	-	-	-
Cash and investments - ending	\$ 17,201	\$ 64	\$ 5,435	\$ 1	\$ 2	\$ -	\$ (39,950)	\$ 2,151	\$ -	\$ -

JAY COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	15/16 Adult Basic Ed State	Secured Schools Safety Grant	2015 School Safety Grant	ECA Coca-Cola	14/15 NESP Grant	15-16 NESP Grant	School Technology	Miscellaneous Programs	Title I FY 2013-14	14/15 Title I Grant
Cash and investments - beginning	\$ -	\$ -	\$ (12,528)	\$ 3,107	\$ -	\$ -	\$ 5,987	\$ -	\$ 1	\$ (108,253)
Receipts:										
Local sources	-	-	-	9,631	-	-	59,381	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	9,510	12,912	-	-	18,767	-	-	-	-
Federal sources	42,194	-	-	-	-	-	-	-	-	278,313
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	42,194	9,510	12,912	9,631	-	18,767	59,381	-	-	278,313
Disbursements:										
Instruction	44,875	9,510	384	-	-	18,023	-	-	-	157,976
Support services	-	-	-	336	-	-	36,377	-	-	9,906
Noninstructional services	-	-	-	2,362	-	-	-	-	-	2,180
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	44,875	9,510	384	2,698	-	18,023	36,377	-	-	170,062
Excess (deficiency) of receipts over disbursements	(2,681)	-	12,528	6,933	-	744	23,004	-	-	108,251
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(6,330)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(6,330)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,681)	-	12,528	603	-	744	23,004	-	-	108,251
Cash and investments - ending	\$ (2,681)	\$ -	\$ -	\$ 3,710	\$ -	\$ 744	\$ 28,991	\$ -	\$ 1	\$ (2)

JAY COUNTY SCHOOL CORPORATION  
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	Title I School Improvement	15/16 Title I Grant	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	12-13 105-17	P.L. 105-17 FY 2013-14	15/16 105-17 Grant	15/16 105-17 Part B Grant	Preschool Handicapped FY 2013-14	14/15 Preschool Handicap	15-16 Preschool Handicap
Cash and investments - beginning	\$ (2,000)	\$ -	\$ (113)	\$ -	\$ -	\$ (47,319)	\$ -	\$ -	\$ (14,920)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	18,057	729,336	11,322	-	-	171,312	708,586	-	15,765	24,436
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	18,057	729,336	11,322	-	-	171,312	708,586	-	15,765	24,436
Disbursements:										
Instruction	-	694,537	-	-	-	105,226	579,800	-	845	34,406
Support services	16,058	49,049	11,210	-	-	32,540	161,845	-	-	-
Noninstructional services	-	9,759	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,058	753,345	11,210	-	-	137,766	741,645	-	845	34,406
Excess (deficiency) of receipts over disbursements	1,999	(24,009)	112	-	-	33,546	(33,059)	-	14,920	(9,970)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,999	(24,009)	112	-	-	33,546	(33,059)	-	14,920	(9,970)
Cash and investments - ending	\$ (1)	\$ (24,009)	\$ (1)	\$ -	\$ -	\$ (13,773)	\$ (33,059)	\$ -	\$ -	\$ (9,970)

JAY COUNTY SCHOOL CORPORATION  
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	Adult Basic Education FY 2013-14	14/15 ABE Federal Funds	15/16 Federal Abe	Area 18 Perkins Grant	15/16 Perkins Grant	21st Century Learning Center	Title II, Part A FY 2013-15	14/16 Title II Part A	Title II Part A Improve Teach	Rural Schools and Low Income Program FY 2013-14
Cash and investments - beginning	\$ 1	\$ (6,481)	\$ -	\$ 1	\$ -	\$ 3,363	\$ 2	\$ (10,459)	\$ -	\$ (4,198)
Receipts:										
Local sources	-	-	-	-	-	3,200	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	6,932	14,830	-	59,969	-	107,950	29,698	9,086	
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	6,932	14,830	-	59,969	3,200	107,950	29,698	9,086	
Disbursements:										
Instruction	-	93	22,853	-	59,969	-	84,480	49,378	-	
Support services	-	359	2,245	-	-	-	8,550	990	4,888	
Noninstructional services	-	-	-	-	-	-	-	-	-	
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	-	-	-	
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	
Total disbursements	-	452	25,098	-	59,969	-	93,030	50,368	4,888	
Excess (deficiency) of receipts over disbursements	-	6,480	(10,268)	-	-	3,200	14,920	(20,670)	4,198	
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	
Transfers in	-	-	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	(4,462)	-	-	
Total other financing sources (uses)	-	-	-	-	-	-	(4,462)	-	-	
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,480	(10,268)	-	-	3,200	10,458	(20,670)	4,198	
Cash and investments - ending	\$ 1	\$ (1)	\$ (10,268)	\$ 1	\$ -	\$ 6,563	\$ 2	\$ (1)	\$ (20,670)	\$ -

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	FY 14 Rural and Low Income Grn	FY 15 Rural and Low Income	Non-English Speaking Computer FY 2013-14	6886 Title III ESL Grant	Title III ESL Grant	Prepaid Food/Trust Acct	Insurance Premium Holding Account	Payroll Withholding/ Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (642)	\$ -	\$ 4,246	\$ -	\$ 120,608	\$ 5,407,317
Receipts:									
Local sources	-	-	-	-	-	-	-	-	12,190,621
Intermediate sources	-	-	-	-	-	-	-	-	2,927
State sources	-	-	-	-	-	-	-	-	24,629,227
Federal sources	32,783	17,462	-	16,613	7,193	-	-	-	3,399,777
Temporary loans	-	-	-	-	-	-	-	-	1,100,000
Other receipts	-	-	-	-	-	524,878	208,397	6,421,536	7,159,283
<b>Total receipts</b>	<b>32,783</b>	<b>17,462</b>	<b>-</b>	<b>16,613</b>	<b>7,193</b>	<b>524,878</b>	<b>208,397</b>	<b>6,421,536</b>	<b>48,481,835</b>
Disbursements:									
Instruction	-	-	-	15,972	7,095	-	-	-	18,986,244
Support services	33,678	43,353	-	-	203	-	-	-	12,725,984
Noninstructional services	-	-	-	-	-	-	-	-	2,168,078
Facilities acquisition and construction	-	-	-	-	-	-	-	-	912,626
Debt service	-	-	-	-	-	-	-	-	5,703,728
Nonprogrammed charges	-	-	-	-	-	542,090	167,186	6,406,326	7,115,602
<b>Total disbursements</b>	<b>33,678</b>	<b>43,353</b>	<b>-</b>	<b>15,972</b>	<b>7,298</b>	<b>542,090</b>	<b>167,186</b>	<b>6,406,326</b>	<b>47,612,262</b>
Excess (deficiency) of receipts over disbursements	(895)	(25,891)	-	641	(105)	(17,212)	41,211	15,210	869,573
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	6,308
Transfers in	-	-	-	-	-	-	-	-	549,957
Transfers out	-	-	-	-	-	-	-	-	(549,956)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,309</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(895)	(25,891)	-	641	(105)	(17,212)	41,211	15,210	875,882
Cash and investments - ending	\$ (895)	\$ (25,891)	\$ -	\$ (1)	\$ (105)	\$ (12,966)	\$ 41,211	\$ 135,818	\$ 6,283,199

JAY COUNTY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 649,640</u>	<u>\$ 319,453</u>

JAY COUNTY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Building Corporation of Jay Schools	Lease rental	\$ 1,970,000	6/27/2001	1/15/2027
Building Corporation of Jay Schools	Lease Rental	<u>1,405,000</u>	1/15/2006	7/15/2027
Total governmental activities		<u>3,375,000</u>		
Total of annual lease payments		<u>\$ 3,375,000</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Notes and loans payable	Bond BAnk Temporary Loan 2015		\$ 1,100,000	\$ 1,111,667
Notes and loans payable	Energy Savings Loan HVAC EE RK WL 2011		1,469,829	181,888
Notes and loans payable	Energy Savings Loan HVAC WJ 2012		22,963	2,444
Notes and loans payable	School Bus Loan 2015		489,000	126,487
Notes and loans payable	Common School Loan		794,619	-
Notes and loans payable	Pension Bonds		<u>6,773,377</u>	<u>891,415</u>
Total governmental activities			<u>10,649,788</u>	<u>2,313,901</u>
Totals			<u>\$ 10,649,788</u>	<u>\$ 2,313,901</u>

JAY COUNTY SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 712,287
Buildings	60,040,484
Improvements other than buildings	3,541,190
Machinery, equipment, and vehicles	<u>8,978,007</u>
Total governmental activities	<u>73,271,968</u>
Total capital assets	<u><u>\$ 73,271,968</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

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

We have audited the Jay 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, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002 to be a material weakness.

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

April 19, 2018

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

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

JAY COUNTY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2015 and 2016

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	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2015	\$ -	\$ 135,858	\$ -	\$ -
			FY 2016	-	-	-	202,745
Total - School Breakfast Program				-	135,858	-	202,745
National School Lunch Program	Indiana Department of Education	10.555	FY 2015	-	741,478	-	-
Commodities			FY 2016	-	-	-	947,344
			FY 2015	-	109,790	-	-
			FY 2016	-	-	-	106,771
Total - National School Lunch Program				-	851,268	-	1,054,115
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2015	-	41,880	-	-
			FY 2016	-	-	-	47,704
Total - Summer Food Service Program for Children				-	41,880	-	47,704
Total - Child Nutrition Cluster				-	1,029,006	-	1,304,564
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	FY 2016	-	-	-	13,000
Total - Department of Agriculture				-	1,029,006	-	1,317,564
<u>Department of Education</u>							
Adult Education - Basic Grants to States	New Castle Community School Coporation	84.002	c1-s-ae-425	-	19,198	-	-
			c1-s-ae-425	-	-	-	14,830
			c-1-s-ae-425	-	-	-	6,932
			c-1-s-ae-425	-	18,682	-	-
Total - Adult Education - Basic Grants to States				-	37,880	-	21,762
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-3945	-	188,075	-	-
			14-3945	-	-	-	278,313
			15-3945	-	708,222	-	-
			15-3945	-	2,000	-	18,057
			16-3945	-	-	-	729,336
Total - Title I Grants to Local Educational Agencies				-	898,297	-	1,025,706
Special Education Cluster (IDEA)							
Special Education - Grants to States	Indiana Department of Education	84.027	99914-031-TA01	-	144	-	11,322
			14213-031-PN01	-	166	-	-
			14214-031-PN01	-	107,429	-	-
			14215-031-PN01	-	628,783	-	171,312
			14216-029-PN01	-	-	-	708,586
Total - Special Education - Grants to States				-	736,522	-	891,220

JAY COUNTY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2015 and 2016

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	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Special Education - Preschool Grants	Indiana Department of Education	84.173	45714-031-PN01	-	7,182	-	-
			45715-031-PN01	-	24,463	-	15,765
			45716-029-PN01	-	-	-	24,436
Total - Special Education - Preschool Grants				-	31,645	-	40,200
Total - Special Education Cluster (IDEA)				-	768,167	-	931,420
Career and Technical Education -- Basic Grants to States	Bluffton-Harrison Metropolitan School District	84.048	16-4700-8445	-	63,547	-	-
			16-4700-8445	-	-	-	59,969
Total - Career and Technical Education -- Basic Grants to States				-	63,547	-	59,969
Rural Education	Indiana Department of Education	84.358	7000S358B130014	-	16,378	-	9,086
			7000S358B140014	-	-	-	32,783
			7000S358B150014	-	-	-	17,462
Total - Rural Education				-	16,378	-	59,331
English Language Acquisition State Grants	Indiana Department of Education	84.365	01114-103-pN01	8,417	20,736	-	-
			01115-109-PN01	-	5,008	-	-
			01115-109-PN01	-	-	9,469	16,613
			01115-109-PN01	-	-	-	7,193
Total - English Language Acquisition State Grants				8,417	25,744	9,469	23,806
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	13-3945	-	96,032	-	-
			14-3945	-	40,798	-	-
			14-3945	-	-	-	107,950
			14-3945	-	-	-	29,698
Total - Improving Teacher Quality State Grants				-	136,830	-	137,648
Total - Department of Education				8,417	1,946,843	9,469	2,259,642
Total federal awards expended				\$ 8,417	\$ 2,975,849	\$ 9,469	\$ 3,577,206

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

JAY 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, 2015 and 2016. 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.

JAY 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
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	Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies

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 2016-001**

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

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-001.

JAY 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). Although the School Corporation had procedures in place to provide for a review and approval of information reported on the SEFA, the controls were not effective.

*Context*

The following grants were incorrectly reported on the SEFA:

1. The Child Nutrition Cluster - School Breakfast Program (CFDA #10.553) was reported as part of the National School Lunch Program (CFDA #10.555), which resulted in an understatement in the amount of \$135,858 and \$202,745 for fiscal year 2015 and fiscal year 2016, respectively.
2. The Child Nutrition Cluster - National School Lunch Program (CFDA #10.555) included the School Breakfast Program (CFDA #10.533) and the Summer Food Service Program (CFDA #10.559). This resulted in a total overstatement in the amount of \$176,912 and \$743,457 for fiscal year 2015 and fiscal year 2016, respectively.
3. The Child Nutrition Cluster - National School Lunch Program (CFDA #10.555) commodities were reported incorrectly as passed through to subrecipients, which resulted in an overstatement of \$109,790 and \$105,929 for fiscal year 2015 and fiscal year 2016, respectively.
4. The Child Nutrition Cluster - National School Lunch Program (CFDA #10.555) Catalog of Federal Domestic Assistance Number (CFDA #) was incorrectly reported as CFDA #10.553.
5. The Child Nutrition Cluster - Summer Food Service Program for Children (CFDA #10.559) was reported as part of the National School Lunch Program (CFDA #10.555), which resulted in an understatement in the amount of \$41,880 and \$47,704 for fiscal year 2015 and fiscal year 2016, respectively.
6. The Child Nutrition Discretionary Grants Limited Availability (CFDA #10.579) was not reported in the amount of \$13,000 for fiscal year 2016.
7. The English Language State Grants (CFDA #84.365) was incorrectly reported as passed through to subrecipients and was overstated by \$8,946 for fiscal year 2015.
8. The Rural Education (CFDA #84.358) Catalog of Federal Domestic Assistance Number (CFDA #) was incorrectly reported as CFDA #84.359.
9. Multiple program titles were not reported correctly.

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:

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

"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. . . ."

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.

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

*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 *Context* section above.

*Recommendation*

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

*Views of Responsible Officials*

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

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

**FINDING 2016-002**

Subject: Special Education - Grants to States - Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-031-PN01, 14214-031-PN01,  
14215-031-PN01, 14216-029-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

*Context*

This was a systemic issue, which occurred throughout the audit period. No verification procedures were performed for any of the contracted vendors paid from the grants.

*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. . . ."

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 180.300 states:

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

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

*Cause*

The School Corporation had not designed or implemented internal control procedures to ensure compliance with the Suspension and Debarment compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*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 DOCUMENTS

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

**SUMMARY SCHEDULE –PRIOR AUDIT FINDINGS**

**Finding 2014-002 – Allowable costs/Cost Principles**

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

Contact Phone Number : 260-726-9341

**Description of Corrective Action Plan**

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

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

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

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

**STATUS of CORRECTIVE ACTION PLAN**

The corrective action plan ( identifying and tracking of staff time and effort logs of Special Ed staff in these federal awards/ grants) as described above was implemented. This plan was implemented during this new audit period.

  
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Bradley T. DeRome, Business Manager / Treasurer

Date 2-21-2018

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

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**SUMMARY SCHEDULE –PRIOR AUDIT FINDINGS**

**Finding 2014-003 – Allowable costs/Cost Principles**

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

Contact Phone Number : 260-726-9341

Description of Corrective Action Plan

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


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

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

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

**STATUS of CORRECTIVE ACTION PLAN**

The corrective action plan ( identifying and tracking of staff time and effort logs of Title 1 staff in these federal awards/ grants) as described above was implemented. This plan was implemented during this new audit period.

  
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Bradley T. DeRome, Business Manager / Treasurer

Date 2-21-2018

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

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Date: April 17, 2018

To: State Board of Accounts

**Corrective Action Plan**

**Finding 2016-001 – Internal Controls** over the preparation of the Schedule of Expenditures of Federal Awards

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

Contact Phone Number : 260-726-9341

Subject: Preparation of the Schedule of Expenditures of Federal Awards ( SEFA)

Audit Finding: Material Weakness, Non Compliance - Repeat Finding

Description of Corrective Action Plan

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

The Business Manager will prepare the Schedule of Expenditures for Federal Awards with the assistance of the Deputy Treasurer as required at the end of each fiscal year. The Deputy Treasurer will be provided with the list of all federal awards for the fiscal year and will review all of the documentation supporting the Schedule's content for accuracy and completeness prior to the Schedule's submission. The data from the Federal Awards, such as Federal Lunch funds, will be broken out in the various sub section components of lunch funds for data entry and uploaded into the Gateway system, rather than loaded as "total" Federal Lunch funds.

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

The goal is to have the reports compiled on a timely basis and entered into the Gateway System with accuracy for no audit findings or comments.

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

With the actual State Board of Accounts on site audit and field work completed 3 years after the last audit, this puts the client entity behind in terms of correcting any errors that may have been discovered with the present audit. The example is that the SEFA has now been uploaded into the Gateway System for subsequent time periods after this current audit is complete. This makes the error correction and compliance very difficult from a practical standpoint.

Anticipated Completion Date: June 1, 2018

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*Bradley T DeRome*

Bradley T. DeRome, Business Manager / Treasurer

Date 4-19-2018

### Corrective Action Plan

**Finding 2016-002 – Federal Award Findings / Questioned Costs** –Compliance Requirements (Special Education Federal Program)

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

Contact Phone Number : 260-726-9341

Subject: Suspension and Debarment- Vendors paid from Special Ed Federal Program  
Audit Finding: Material Weakness

Description of Corrective Action Plan

Each year as new Special Ed vendors or current Special Ed vendors whom are expected to be paid through the Special Ed Federal Program funds, will be fully reviewed, vetted, and examined for proper licensing, suspension, and debarment history before entering into a new contract.

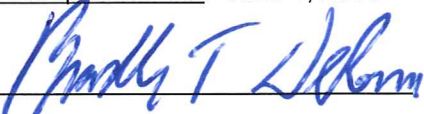
The Business Manager with the assistance of the Special Ed Director will review the current and or prospective Special Ed contract vendors for compliance before we enter into a new contract.

The goal is to provide internal control assurance that these specific vendors were not suspended or debarred from participation in federal programs before entering into a contract.

The corrective action plan will include that before we enter into a covered transaction from described Special Ed vendor that we will verify that the person with whom we intend to do business is not excluded or disqualified. The compliance check is completed by checking the current SAM Exclusions, collecting a certification from that person, or adding a clause to the covered transaction contract with that person.

With the actual State Board of Accounts on site audit and field work completed 3 years after the last audit, this puts the client entity behind in terms of correcting any errors that may have been discovered with the present audit. The example is that we will review current Special Ed vendors in these federal programs for compliance with these specific items for suspension and debarment. Since almost 2 years have now elapsed since the current audit period, this makes the error correction and compliance very difficult from a practical standpoint.

Anticipated Completion Date: June 1, 2018

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Bradley T. DeRome, Business Manager / Treasurer

Date 4-19-2018

## 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/>.