

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

GREATER JASPER CONSOLIDATED SCHOOLS
DUBOIS COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
06/16/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Monica Young	01-01-15 to 12-31-18
Superintendent of Schools	Dr. Tracy Lorey	07-01-15 to 06-30-18
President of the School Board	Nancy L. Halbing Bernard J. Vogler	01-01-15 to 12-31-16 01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE GREATER JASPER CONSOLIDATED
SCHOOLS, DUBOIS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Greater Jasper Consolidated Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

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, 2015 to June 30, 2017, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 16, 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

May 16, 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 GREATER JASPER CONSOLIDATED
SCHOOLS, DUBOIS 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 Greater Jasper Consolidated Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated May 16, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Greater Jasper Consolidated Schools' 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

May 16, 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.

GREATER JASPER CONSOLIDATED SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 2,485,826	\$ 19,554,068	\$ 18,443,716	\$ (990,221)	\$ 2,605,957	\$ 19,626,136	\$ 18,927,028	\$ (400,000)	\$ 2,905,065
Debt Service	1,459,182	7,545,892	6,406,627	(171,318)	2,427,129	7,433,394	6,499,373	(68,558)	3,292,592
Retirement/Severance Bond Debt Service	139,869	1,167,085	1,199,216	(14,125)	93,613	1,019,863	1,058,911	-	54,565
Capital Projects	1,211,986	3,450,323	3,050,004	174,456	1,786,761	3,643,911	3,787,623	(500,000)	1,143,049
Transportation	1,408,132	1,710,995	1,367,944	(318,660)	1,432,523	1,860,292	1,352,641	(500,000)	1,440,174
Transportation - Bus Replacement	89,317	-	89,317	-	-	-	-	-	-
Rainy Day	2,589,081	235,480	700,399	400,000	2,524,162	78,748	652,368	1,000,000	2,950,542
Retirement/Severance Bond	814,831	4,804	578,127	703,000	944,508	1,096	406,857	-	538,747
Ireland Contruction Fund	-	470,710	198,333	-	272,377	823,409	802,678	-	293,108
Ireland Cafeteria	-	-	-	-	-	139,068	139,068	-	-
School Lunch	564,906	1,788,366	1,790,684	-	562,588	1,760,296	1,603,372	-	719,512
Textbook Rental	526,355	665,610	440,032	42,201	794,134	680,584	853,378	68,558	689,898
Repair/Replacement Storm Dam.	-	-	4,728	-	(4,728)	90,469	85,022	-	719
Self Insurance	2,092,291	10,518,336	3,904,896	297,000	9,002,731	8,327,430	8,198,933	400,000	9,531,228
Levy Excess	122,333	-	-	(122,333)	-	-	-	-	-
Joint Services and Supply - Special Education Cooperative	606,896	372,389	296,215	(78)	682,992	250,460	280,798	(5,764)	646,890
Joint Services and Supply - Transportation	257,370	387,707	491,407	-	153,670	390,460	288,242	5,764	261,652
Joint Services and Supply - Area Vocational School	99,782	344,603	322,671	-	121,714	421,792	361,115	-	182,391
ICE 2015-2016/2016-2017	-	85,209	82,965	3,401	5,645	74,675	84,064	584	(3,160)
ICE	3,401	-	(584)	(3,401)	584	-	-	(584)	-
Health Occupations 2015-2016/2016-2017	-	88,527	74,717	5,704	19,514	64,559	72,740	486	11,819
Health Occupation 2014-2015	5,704	-	(711)	(5,704)	711	-	225	(486)	-
Educational License Plates	7,297	225	-	-	7,522	394	-	-	7,916
Alternative Education	(292)	292	-	-	-	-	-	-	-
AIM Academy 15/16	-	4,846	5,731	-	(885)	3,072	2,187	-	-
SAFE School Haven	226	-	-	-	226	-	-	-	226
Lilly Consulting Grant	-	-	-	-	-	30,000	17,314	-	12,686
Donations, Gifts and Trusts	829	-	-	-	829	-	-	-	829
Recreational Activities	3,755	1,000	1,652	-	3,103	800	2,984	-	919
Leader in Me	15,000	12,086	23,185	-	3,901	10,583	14,263	-	221
Football Field Improvement Aw	-	41,762	41,875	-	(113)	-	17,231	-	(17,344)
Formative Assessment	-	30,681	30,681	-	-	30,787	30,787	-	-
High Ability 2016-2017	-	-	-	-	-	39,005	33,630	-	5,375
High Ability 2014-2015	2,374	-	236	-	2,138	-	2,138	-	-
High Ability 2015-2016	-	39,134	34,650	-	4,484	-	4,484	-	-
Medicaid Reimbursement - State	149,802	21,462	-	-	171,264	15,702	-	-	186,966
Secured Schools Safety Grant	-	24,618	3,532	-	21,086	21,519	60,647	-	(18,042)
English Second Lang. 2016-2017	-	-	-	-	-	37,081	31,579	-	5,502
English Non English 2014-2015	395	-	395	-	-	-	-	-	-
English Non English 2015-2016	-	38,203	28,166	-	10,037	600	10,637	-	-
School Technology	2,292	8,861	8,867	-	2,286	15,488	13,626	-	4,148

GREATER JASPER CONSOLIDATED SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Career and Technical Edu 16-17	-	-	-	-	-	29,906	13,008	-	16,898
Performance Based Awards	5,146	120,431	125,577	-	-	-	-	-	-
Teacher Performance/Appreciation	-	-	-	-	-	175,722	175,722	-	-
Excess PTRC Distributions	62,519	-	-	-	62,519	-	-	-	62,519
Special Services	(2,182)	1,173	(931)	78	-	-	-	-	-
Special Services FY16	-	13,059	16,398	-	(3,339)	2,384	(955)	-	-
Special Services FY17	-	-	-	-	-	14,776	17,461	-	(2,685)
Special Program FY18	-	-	-	-	-	-	935	-	(935)
Title I 2014-2015	(23,033)	86,525	63,492	-	-	-	-	-	-
Title I 2016-2017	-	-	-	-	-	149,852	169,033	-	(19,181)
Title I 2015-2016	-	183,543	232,413	-	(48,870)	52,360	3,490	-	-
14217011PN01 IDEA FY17	-	-	-	-	-	1,298,133	1,608,048	-	(309,915)
14214011PN01 IDEA FY14	(37,182)	181,690	144,508	-	-	-	-	-	-
14215011PN01 IDEA FY15	(209,075)	1,581,881	1,433,320	-	(60,514)	200,779	140,265	-	-
Technical Assistance Part B	(1,930)	6,880	4,950	-	-	-	-	-	-
14216009PN01 IDEA FY16	-	1,378,076	1,547,733	-	(169,657)	1,783,801	1,668,146	-	(54,002)
45717011PN01 Preschool FY17	-	-	-	-	-	28,062	37,721	-	(9,659)
45715009PN01 Preschool FY15	(12,168)	76,887	64,719	-	-	-	-	-	-
45716009PN01 Preschool FY16	-	59,100	69,447	-	(10,347)	72,462	62,115	-	-
Voc Perkins 15-16	-	92,741	104,035	-	(11,294)	11,279	(15)	-	-
Perkins-Rural Grant 2016	-	1,500	25,432	-	(23,932)	75,848	51,916	-	-
Rural Perkins Grant 16-17	-	-	-	-	-	42,603	51,656	-	(9,053)
Perkins Grant 2014-2015	(14,468)	15,764	1,296	-	-	-	-	-	-
Voc Ed-Perkins 2016-2017	-	-	-	-	-	120,446	140,836	-	(20,390)
Voc-Perkins Competitive 16-17	-	-	-	-	-	-	68,140	-	(68,140)
Medicaid Reimbursement - Federal	263,637	60,674	-	-	324,311	58,323	2,677	-	379,957
Title II 2016-2017	-	-	-	-	-	27,777	31,559	-	(3,782)
Title II 2015-2016	-	56,377	56,627	-	(250)	1,443	1,193	-	-
Title III Eng Lang. 2014-2015	(2,590)	6,335	3,745	-	-	-	-	-	-
Title III 2015-2016	-	23,243	25,132	-	(1,889)	4,975	3,086	-	-
Title III Enl-2016-2017	-	-	-	-	-	25,564	28,236	-	(2,672)
Self Insurance Reserve	6,252,327	4,435,208	10,687,535	-	-	-	-	-	-
Clearing Account - Corporation	-	4,144,878	4,144,878	-	-	4,349,746	4,349,746	-	-
Clearing Account - School Lunch	-	650,076	650,076	-	-	779,162	779,162	-	-
Clearing Account - Co-op	-	718,499	718,499	-	-	768,492	768,492	-	-
Totals	\$ 20,939,941	\$ 62,507,814	\$ 59,738,554	\$ -	\$ 23,709,201	\$ 56,965,568	\$ 55,867,616	\$ -	\$ 24,807,153

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

GREATER JASPER CONSOLIDATED SCHOOLS
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.

GREATER JASPER CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

GREATER JASPER CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

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.

GREATER JASPER CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

GREATER JASPER CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Negative Disbursements

The financial statement contains some disbursements which appear as negative entries. This is a result of corrections of errors from prior periods. The errors in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative disbursement is shown in the current period.

GREATER JASPER CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of some funds being set up for reimbursable grants and reimbursements for expenditures made by the School Corporation not being received by June 30, 2016 and 2017. Other funds had disbursements in excess of receipts.

Note 9. Holding Corporations

The School Corporation has entered into capital leases with Greater Jasper Schools Building Corporation, Greater Jasper Middle School Building Corporation, and Greater Jasper Ireland School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related-party of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$6,430,873 and \$6,454,750, respectively.

Note 10. Subsequent Events

The School Corporation has entered into a lease agreement with the Greater Jasper School Building Corporation (the lessor). The lessor will issue the Greater Jasper School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2018, with an anticipated principal amount of \$30,925,000 for the purpose of a new elementary school construction.

Note 11. Other Postemployment Benefits

The School Corporation provides health, dental, and vision insurance to eligible retirees and their spouses, which pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the 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.

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	Transportation	Transportation - Bus Replacement	Rainy Day	Retirement/ Severance Bond	Ireland Construction Fund	Ireland Cafeteria	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,485,826	\$ 1,459,182	\$ 139,869	\$ 1,211,986	\$ 1,408,132	\$ 89,317	\$ 2,589,081	\$ 814,831	\$ -	\$ -	\$ 564,906	\$ 526,355
Receipts:												
Local sources	144,637	7,545,892	1,167,085	3,450,323	1,703,173	-	235,180	4,804	-	-	1,009,684	495,324
Intermediate sources	130	-	-	-	-	-	-	-	-	-	7,427	-
State sources	19,409,231	-	-	-	-	-	-	-	-	-	144,649	170,286
Federal sources	-	-	-	-	-	-	-	-	-	-	626,606	-
Temporary loans	-	-	-	-	-	-	-	-	470,710	-	-	-
Other receipts	70	-	-	-	7,822	-	300	-	-	-	-	-
Total receipts	19,554,068	7,545,892	1,167,085	3,450,323	1,710,995	-	235,480	4,804	470,710	-	1,788,366	665,610
Disbursements:												
Instruction	13,914,739	-	-	39,883	195,232	-	33,195	459,887	-	-	421,629	-
Support services	4,449,506	-	-	2,221,456	1,172,712	89,317	274,023	118,240	1,147	-	4,394	440,032
Noninstructional services	79,471	-	-	-	-	-	-	-	-	-	1,236,583	-
Facilities acquisition and construction	-	-	-	692,467	-	-	66,144	-	197,186	-	6,975	-
Debt service	-	6,406,627	1,199,216	96,198	-	-	327,037	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	121,103	-
Total disbursements	18,443,716	6,406,627	1,199,216	3,050,004	1,367,944	89,317	700,399	578,127	198,333	-	1,790,684	440,032
Excess (deficiency) of receipts over disbursements	1,110,352	1,139,265	(32,131)	400,319	343,051	(89,317)	(464,919)	(573,323)	272,377	-	(2,318)	225,578
Other financing sources (uses):												
Transfers in	9,779	53,823	9,924	174,456	81,340	-	400,000	703,000	-	-	-	42,201
Transfers out	(1,000,000)	(225,141)	(24,049)	-	(400,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(990,221)	(171,318)	(14,125)	174,456	(318,660)	-	400,000	703,000	-	-	-	42,201
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	120,131	967,947	(46,256)	574,775	24,391	(89,317)	(64,919)	129,677	272,377	-	(2,318)	267,779
Cash and investments - ending	\$ 2,605,957	\$ 2,427,129	\$ 93,613	\$ 1,786,761	\$ 1,432,523	\$ -	\$ 2,524,162	\$ 944,508	\$ 272,377	\$ -	\$ 562,588	\$ 794,134

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Repair/Replacement Storm Dam.	Self Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - Transportation	Joint Services and Supply - Area Vocational School	ICE 2015-2016/2016-2017	ICE	Health Occupations 2015-2016/2016-2017	Health Occupation 2014-2015	Educational License Plates
Cash and investments - beginning	\$ -	\$ 2,092,291	\$ 122,333	\$ 606,896	\$ 257,370	\$ 99,782	\$ -	\$ 3,401	\$ -	\$ 5,704	\$ 7,297
Receipts:											
Local sources	-	10,518,336	-	367,364	382,172	344,603	85,209	-	88,527	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	225
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	5,025	5,535	-	-	-	-	-	-
Total receipts	-	10,518,336	-	372,389	387,707	344,603	85,209	-	88,527	-	225
Disbursements:											
Instruction	-	-	-	30,186	-	4	82,876	(584)	74,717	(711)	-
Support services	1,463	570	-	238,979	491,407	322,667	89	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	3,265	-	-	27,050	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,904,326	-	-	-	-	-	-	-	-	-
Total disbursements	4,728	3,904,896	-	296,215	491,407	322,671	82,965	(584)	74,717	(711)	-
Excess (deficiency) of receipts over disbursements	(4,728)	6,613,440	-	76,174	(103,700)	21,932	2,244	584	13,810	711	225
Other financing sources (uses):											
Transfers in	-	297,000	-	-	-	-	3,401	-	5,704	-	-
Transfers out	-	-	(122,333)	(78)	-	-	-	(3,401)	-	(5,704)	-
Total other financing sources (uses)	-	297,000	(122,333)	(78)	-	-	3,401	(3,401)	5,704	(5,704)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,728)	6,910,440	(122,333)	76,096	(103,700)	21,932	5,645	(2,817)	19,514	(4,993)	225
Cash and investments - ending	\$ (4,728)	\$ 9,002,731	\$ -	\$ 682,992	\$ 153,670	\$ 121,714	\$ 5,645	\$ 584	\$ 19,514	\$ 711	\$ 7,522

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Alternative Education	AIM Academy 15/16	SAFE School Haven	Lilly Consulting Grant	Donations, Gifts and Trusts	Recreational Activities	Leader in Me	Football Field Improvement Aw	Formative Assessment	High Ability 2016-2017	High Ability 2014-2015	High Ability 2015-2016
Cash and investments - beginning	\$ (292)	\$ -	\$ 226	\$ -	\$ 829	\$ 3,755	\$ 15,000	\$ -	\$ -	\$ -	\$ 2,374	\$ -
Receipts:												
Local sources	292	4,846	-	-	-	-	12,086	41,762	-	-	-	-
Intermediate sources	-	-	-	-	-	1,000	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	30,681	-	-	39,134
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	292	4,846	-	-	-	1,000	12,086	41,762	30,681	-	-	39,134
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	236	27,253
Support services	-	5,731	-	-	-	-	23,185	-	30,681	-	-	7,397
Noninstructional services	-	-	-	-	-	1,652	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	41,875	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,731	-	-	-	1,652	23,185	41,875	30,681	-	236	34,650
Excess (deficiency) of receipts over disbursements	292	(885)	-	-	-	(652)	(11,099)	(113)	-	-	(236)	4,484
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	292	(885)	-	-	-	(652)	(11,099)	(113)	-	-	(236)	4,484
Cash and investments - ending	\$ -	\$ (885)	\$ 226	\$ -	\$ 829	\$ 3,103	\$ 3,901	\$ (113)	\$ -	\$ -	\$ 2,138	\$ 4,484

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Medicaid Reimbursement - State	Secured Schools Safety Grant	English Second Lang. 2016-2017	English Non English 2014-2015	English Non English 2015-2016	School Technology	Career and Technical Edu 16-17	Performance Based Awards	Teacher Performance/ Appreciation	Excess PTRC Distributions	Special Services	Special Services FY16
Cash and investments - beginning	\$ 149,802	\$ -	\$ -	\$ 395	\$ -	\$ 2,292	\$ -	\$ 5,146	\$ -	\$ 62,519	\$ (2,182)	\$ -
Receipts:												
Local sources	-	-	-	-	-	137	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	21,462	24,618	-	-	-	8,724	-	120,431	-	-	-	-
Federal sources	-	-	-	-	38,203	-	-	-	-	-	1,173	13,059
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	21,462	24,618	-	-	38,203	8,861	-	120,431	-	-	1,173	13,059
Disbursements:												
Instruction	-	-	-	395	27,884	-	-	125,577	-	-	(931)	16,398
Support services	-	-	-	-	282	8,867	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	3,532	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,532	-	395	28,166	8,867	-	125,577	-	-	(931)	16,398
Excess (deficiency) of receipts over disbursements	21,462	21,086	-	(395)	10,037	(6)	-	(5,146)	-	-	2,104	(3,339)
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	78	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	78	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,462	21,086	-	(395)	10,037	(6)	-	(5,146)	-	-	2,182	(3,339)
Cash and investments - ending	\$ 171,264	\$ 21,086	\$ -	\$ -	\$ 10,037	\$ 2,286	\$ -	\$ -	\$ -	\$ 62,519	\$ -	\$ (3,339)

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Special Services FY17	Special Program FY18	Title I 2014-2015	Title I 2016-2017	Title I 2015-2016	14217011PN01 IDEA FY17	14214011PN01 IDEA FY14	14215011PN01 IDEA FY15	Technical Assistance Part B	14216009PN01 IDEA FY16
Cash and investments - beginning	\$ -	\$ -	\$ (23,033)	\$ -	\$ -	\$ -	\$ (37,182)	\$ (209,075)	\$ (1,930)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	86,525	-	183,543	-	181,690	1,581,881	6,880	1,378,076
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	86,525	-	183,543	-	181,690	1,581,881	6,880	1,378,076
Disbursements:										
Instruction	-	-	51,421	-	198,471	-	26,272	454,296	1,771	661,973
Support services	-	-	12,071	-	33,942	-	118,236	979,024	3,179	885,760
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	63,492	-	232,413	-	144,508	1,433,320	4,950	1,547,733
Excess (deficiency) of receipts over disbursements	-	-	23,033	-	(48,870)	-	37,182	148,561	1,930	(169,657)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	23,033	-	(48,870)	-	37,182	148,561	1,930	(169,657)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (48,870)	\$ -	\$ -	\$ (60,514)	\$ -	\$ (169,657)

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	45717011PN01 Preschool FY17	45715009PN01 Preschool FY15	45716009PN01 Preschool FY16	Voc Perkins 15-16	Perkins-Rural Grant 2016	Rural Perkins Grant 16-17	Perkins Grant 2014-2015	Voc Ed-Perkins 2016-2017	Voc-Perkins Competitive 16-17	Medicaid Reimbursement - Federal	Title II 2016-2017
Cash and investments - beginning	\$ -	\$ (12,168)	\$ -	\$ -	\$ -	\$ -	\$ (14,468)	\$ -	\$ -	\$ 263,637	\$ -
Receipts:											
Local sources	-	-	-	-	1,500	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	76,887	59,100	92,741	-	-	15,764	-	-	60,674	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	76,887	59,100	92,741	1,500	-	15,764	-	-	60,674	-
Disbursements:											
Instruction	-	64,719	69,447	104,035	25,432	-	1,296	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	64,719	69,447	104,035	25,432	-	1,296	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	12,168	(10,347)	(11,294)	(23,932)	-	14,468	-	-	60,674	-
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,168	(10,347)	(11,294)	(23,932)	-	14,468	-	-	60,674	-
Cash and investments - ending	\$ -	\$ -	\$ (10,347)	\$ (11,294)	\$ (23,932)	\$ -	\$ -	\$ -	\$ -	\$ 324,311	\$ -

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Title II 2015-2016	Title III Eng Lang. 2014-2015	Title III 2015-2016	Title III Enl-2016-2017	Self Insurance Reserve	Clearing Account - Corporation	Clearing Account - School Lunch	Clearing Account - Co-op	Totals
Cash and investments - beginning	\$ -	\$ (2,590)	\$ -	\$ -	\$ 6,252,327	\$ -	\$ -	\$ -	\$ 20,939,941
Receipts:									
Local sources	-	-	-	-	-	-	-	-	27,602,936
Intermediate sources	-	-	-	-	-	-	-	-	8,782
State sources	-	-	-	-	-	-	-	-	19,969,216
Federal sources	56,377	6,335	23,243	-	-	-	-	-	4,488,757
Temporary loans	-	-	-	-	-	-	-	-	470,710
Other receipts	-	-	-	-	4,435,208	4,144,878	650,076	718,499	9,967,413
Total receipts	56,377	6,335	23,243	-	4,435,208	4,144,878	650,076	718,499	62,507,814
Disbursements:									
Instruction	14,759	4,107	22,854	-	-	-	-	-	17,148,718
Support services	41,868	-	2,278	-	-	-	-	-	11,978,503
Noninstructional services	-	-	-	-	-	-	-	-	1,317,706
Facilities acquisition and construction	-	(362)	-	-	-	-	-	-	1,038,132
Debt service	-	-	-	-	-	-	-	-	8,029,078
Nonprogrammed charges	-	-	-	-	10,687,535	4,144,878	650,076	718,499	20,226,417
Total disbursements	56,627	3,745	25,132	-	10,687,535	4,144,878	650,076	718,499	59,738,554
Excess (deficiency) of receipts over disbursements	(250)	2,590	(1,889)	-	(6,252,327)	-	-	-	2,769,260
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	1,780,706
Transfers out	-	-	-	-	-	-	-	-	(1,780,706)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(250)	2,590	(1,889)	-	(6,252,327)	-	-	-	2,769,260
Cash and investments - ending	\$ (250)	\$ -	\$ (1,889)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,709,201

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	Transportation	Transportation - Bus Replacement	Rainy Day	Retirement/ Severance Bond	Ireland Construction Fund	Ireland Cafeteria	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,605,957	\$ 2,427,129	\$ 93,613	\$ 1,786,761	\$ 1,432,523	\$ -	\$ 2,524,162	\$ 944,508	\$ 272,377	\$ -	\$ 562,588	\$ 794,134
Receipts:												
Local sources	267,070	7,433,394	1,019,863	3,639,510	1,858,709	-	78,748	1,096	823,409	139,068	980,946	598,229
Intermediate sources	65	-	-	-	-	-	-	-	-	-	189	-
State sources	19,358,891	-	-	4,316	-	-	-	-	-	-	24,014	82,355
Federal sources	-	-	-	-	-	-	-	-	-	-	755,147	-
Other receipts	110	-	-	85	1,583	-	-	-	-	-	-	-
Total receipts	19,626,136	7,433,394	1,019,863	3,643,911	1,860,292	-	78,748	1,096	823,409	139,068	1,760,296	680,584
Disbursements:												
Instruction	14,755,689	-	-	41,397	170,182	-	3,660	358,531	-	-	297,225	-
Support services	4,078,719	-	-	3,055,129	1,182,459	-	301,590	48,326	17,553	2,786	8,302	853,378
Noninstructional services	92,337	-	-	-	-	-	-	-	-	-	1,172,231	-
Facilities acquisition and construction	283	-	-	600,976	-	-	20,081	-	785,125	136,282	9,827	-
Debt service	-	6,499,373	1,058,911	90,121	-	-	327,037	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	115,787	-
Total disbursements	18,927,028	6,499,373	1,058,911	3,787,623	1,352,641	-	652,368	406,857	802,678	139,068	1,603,372	853,378
Excess (deficiency) of receipts over disbursements	699,108	934,021	(39,048)	(143,712)	507,651	-	(573,620)	(405,761)	20,731	-	156,924	(172,794)
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	1,000,000	-	-	-	-	68,558
Transfers out	(400,000)	(68,558)	-	(500,000)	(500,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(400,000)	(68,558)	-	(500,000)	(500,000)	-	1,000,000	-	-	-	-	68,558
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	299,108	865,463	(39,048)	(643,712)	7,651	-	426,380	(405,761)	20,731	-	156,924	(104,236)
Cash and investments - ending	\$ 2,905,065	\$ 3,292,592	\$ 54,565	\$ 1,143,049	\$ 1,440,174	\$ -	\$ 2,950,542	\$ 538,747	\$ 293,108	\$ -	\$ 719,512	\$ 689,898

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Repair/Replacement Storm Dam.	Self Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - Transportation	Joint Services and Supply - Area Vocational School	ICE 2015-2016/2016-2017	ICE	Health Occupations 2015-2016/2016-2017	Health Occupation 2014-2015	Educational License Plates
Cash and investments - beginning	\$ (4,728)	\$ 9,002,731	\$ -	\$ 682,992	\$ 153,670	\$ 121,714	\$ 5,645	\$ 584	\$ 19,514	\$ 711	\$ 7,522
Receipts:											
Local sources	-	8,283,480	-	250,107	390,460	421,792	74,675	-	64,559	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	394
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	90,469	43,950	-	353	-	-	-	-	-	-	-
Total receipts	90,469	8,327,430	-	250,460	390,460	421,792	74,675	-	64,559	-	394
Disbursements:											
Instruction	-	-	-	31,633	-	482	84,064	-	72,740	225	-
Support services	2,349	10	-	223,996	288,242	360,633	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	82,673	-	-	25,169	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	8,198,923	-	-	-	-	-	-	-	-	-
Total disbursements	85,022	8,198,933	-	280,798	288,242	361,115	84,064	-	72,740	225	-
Excess (deficiency) of receipts over disbursements	5,447	128,497	-	(30,338)	102,218	60,677	(9,389)	-	(8,181)	(225)	394
Other financing sources (uses):											
Transfers in	-	400,000	-	-	5,764	-	584	-	486	-	-
Transfers out	-	-	-	(5,764)	-	-	-	(584)	-	(486)	-
Total other financing sources (uses)	-	400,000	-	(5,764)	5,764	-	584	(584)	486	(486)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,447	528,497	-	(36,102)	107,982	60,677	(8,805)	(584)	(7,695)	(711)	394
Cash and investments - ending	\$ 719	\$ 9,531,228	\$ -	\$ 646,890	\$ 261,652	\$ 182,391	\$ (3,160)	\$ -	\$ 11,819	\$ -	\$ 7,916

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Alternative Education	AIM Academy 15/16	SAFE School Haven	Lilly Consulting Grant	Donations, Gifts and Trusts	Recreational Activities	Leader in Me	Football Field Improvement Aw	Formative Assessment	High Ability 2016-2017	High Ability 2014-2015	High Ability 2015-2016
Cash and investments - beginning	\$ -	\$ (885)	\$ 226	\$ -	\$ 829	\$ 3,103	\$ 3,901	\$ (113)	\$ -	\$ -	\$ 2,138	\$ 4,484
Receipts:												
Local sources	-	3,072	-	30,000	-	-	10,583	-	-	-	-	-
Intermediate sources	-	-	-	-	-	800	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	30,787	39,005	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	3,072	-	30,000	-	800	10,583	-	30,787	39,005	-	-
Disbursements:												
Instruction	-	-	-	53	-	-	-	-	-	29,211	-	2,897
Support services	-	2,187	-	17,261	-	-	14,263	8	30,787	4,419	2,138	1,587
Noninstructional services	-	-	-	-	-	2,984	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	17,223	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,187	-	17,314	-	2,984	14,263	17,231	30,787	33,630	2,138	4,484
Excess (deficiency) of receipts over disbursements	-	885	-	12,686	-	(2,184)	(3,680)	(17,231)	-	5,375	(2,138)	(4,484)
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	885	-	12,686	-	(2,184)	(3,680)	(17,231)	-	5,375	(2,138)	(4,484)
Cash and investments - ending	\$ -	\$ -	\$ 226	\$ 12,686	\$ 829	\$ 919	\$ 221	\$ (17,344)	\$ -	\$ 5,375	\$ -	\$ -

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Medicaid Reimbursement - State	Secured Schools Safety Grant	English Second Lang. 2016-2017	English Non English 2014-2015	English Non English 2015-2016	School Technology	Career and Technical Edu 16-17	Performance Based Awards	Teacher Performance/ Appreciation	Excess PTRC Distributions	Special Services	Special Services FY16
Cash and investments - beginning	\$ 171,264	\$ 21,086	\$ -	\$ -	\$ 10,037	\$ 2,286	\$ -	\$ -	\$ -	\$ 62,519	\$ -	\$ (3,339)
Receipts:												
Local sources	-	-	-	-	600	4,860	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	15,702	21,519	-	-	-	10,628	29,906	-	175,722	-	-	-
Federal sources	-	-	37,081	-	-	-	-	-	-	-	-	2,384
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	15,702	21,519	37,081	-	600	15,488	29,906	-	175,722	-	-	2,384
Disbursements:												
Instruction	-	-	28,681	-	3,249	-	248	-	175,722	-	-	(955)
Support services	-	60,647	2,898	-	7,388	13,626	1,589	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	11,171	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	60,647	31,579	-	10,637	13,626	13,008	-	175,722	-	-	(955)
Excess (deficiency) of receipts over disbursements	15,702	(39,128)	5,502	-	(10,037)	1,862	16,898	-	-	-	-	3,339
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,702	(39,128)	5,502	-	(10,037)	1,862	16,898	-	-	-	-	3,339
Cash and investments - ending	\$ 186,966	\$ (18,042)	\$ 5,502	\$ -	\$ -	\$ 4,148	\$ 16,898	\$ -	\$ -	\$ 62,519	\$ -	\$ -

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Special Services FY17	Special Program FY18	Title I 2014-2015	Title I 2016-2017	Title I 2015-2016	14217011PN01 IDEA FY17	14214011PN01 IDEA FY14	14215011PN01 IDEA FY15	Technical Assistance Part B	14216009PN01 IDEA FY16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (48,870)	\$ -	\$ -	\$ (60,514)	\$ -	\$ (169,657)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	14,776	-	-	149,852	52,360	1,298,133	-	200,779	-	1,783,801
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	14,776	-	-	149,852	52,360	1,298,133	-	200,779	-	1,783,801
Disbursements:										
Instruction	17,461	935	-	156,763	8,228	691,269	-	37,453	-	577,939
Support services	-	-	-	12,270	(4,738)	916,779	-	102,812	-	1,090,207
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,461	935	-	169,033	3,490	1,608,048	-	140,265	-	1,668,146
Excess (deficiency) of receipts over disbursements	(2,685)	(935)	-	(19,181)	48,870	(309,915)	-	60,514	-	115,655
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,685)	(935)	-	(19,181)	48,870	(309,915)	-	60,514	-	115,655
Cash and investments - ending	\$ (2,685)	\$ (935)	\$ -	\$ (19,181)	\$ -	\$ (309,915)	\$ -	\$ -	\$ -	\$ (54,002)

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	45717011PN01 Preschool FY17	45715009PN01 Preschool FY15	45716009PN01 Preschool FY16	Voc Perkins 15-16	Perkins-Rural Grant 2016	Rural Perkins Grant 16-17	Perkins Grant 2014-2015	Voc Ed-Perkins 2016-2017	Voc-Perkins Competitive 16-17	Medicaid Reimbursement - Federal	Title II 2016-2017
Cash and investments - beginning	\$ -	\$ -	\$ (10,347)	\$ (11,294)	\$ (23,932)	\$ -	\$ -	\$ -	\$ -	\$ 324,311	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	28,062	-	72,462	11,279	75,848	42,603	-	120,446	-	58,323	27,777
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	28,062	-	72,462	11,279	75,848	42,603	-	120,446	-	58,323	27,777
Disbursements:											
Instruction	37,721	-	62,115	(15)	51,916	39,056	-	140,836	68,140	-	17,712
Support services	-	-	-	-	-	12,600	-	-	-	2,677	13,847
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	37,721	-	62,115	(15)	51,916	51,656	-	140,836	68,140	2,677	31,559
Excess (deficiency) of receipts over disbursements	(9,659)	-	10,347	11,294	23,932	(9,053)	-	(20,390)	(68,140)	55,646	(3,782)
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,659)	-	10,347	11,294	23,932	(9,053)	-	(20,390)	(68,140)	55,646	(3,782)
Cash and investments - ending	\$ (9,659)	\$ -	\$ -	\$ -	\$ -	\$ (9,053)	\$ -	\$ (20,390)	\$ (68,140)	\$ 379,957	\$ (3,782)

GREATER JASPER CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Title II 2015-2016	Title III Eng Lang. 2014-2015	Title III 2015-2016	Title III Enl-2016-2017	Self Insurance Reserve	Clearing Account - Corporation	Clearing Account - School Lunch	Clearing Account - Co-op	Totals
Cash and investments - beginning	\$ (250)	\$ -	\$ (1,889)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,709,201
Receipts:									
Local sources	-	-	-	-	-	-	-	-	26,374,230
Intermediate sources	-	-	-	-	-	-	-	-	1,448
State sources	-	-	-	-	-	-	-	-	19,792,845
Federal sources	1,443	-	4,975	25,564	-	-	-	-	4,763,095
Other receipts	-	-	-	-	-	4,349,746	779,162	768,492	6,033,950
Total receipts	1,443	-	4,975	25,564	-	4,349,746	779,162	768,492	56,965,568
Disbursements:									
Instruction	-	-	2,842	22,487	-	-	-	-	17,987,792
Support services	1,193	-	244	5,749	-	-	-	-	12,735,910
Noninstructional services	-	-	-	-	-	-	-	-	1,267,552
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,688,810
Debt service	-	-	-	-	-	-	-	-	7,975,442
Nonprogrammed charges	-	-	-	-	-	4,349,746	779,162	768,492	14,212,110
Total disbursements	1,193	-	3,086	28,236	-	4,349,746	779,162	768,492	55,867,616
Excess (deficiency) of receipts over disbursements	250	-	1,889	(2,672)	-	-	-	-	1,097,952
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	1,475,392
Transfers out	-	-	-	-	-	-	-	-	(1,475,392)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	250	-	1,889	(2,672)	-	-	-	-	1,097,952
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (2,672)	\$ -	\$ -	\$ -	\$ -	\$ 24,807,153

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
GABC Leasing - Hoosier Business Machines	Copiers	\$ 19,242	4/3/2017	4/3/2022
Springs Valley Bank and Trust Company	2:1 Devices	327,037	8/17/2015	8/17/2018
Greater Jasper Middle School Building Corporation	Jasper Middle School	3,000,675	10/1/2001	1/15/2024
Greater Jasper Schools Building Corporation	Jasper High School	3,400,000	12/1/2001	1/15/2024
Greater Jasper Ireland School Building Corporation	Ireland Elementary School	54,750	5/31/2017	1/15/2024
Greater Jasper Ireland School Building Corporation	Ireland Elementary School Cafeteria	<u>650,025</u>	12/1/2015	1/15/2025
Total governmental activities		<u>7,451,729</u>		
Total of annual lease payments		<u>\$ 7,451,729</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Bond	\$ 2,724,408	\$ 1,091,614
Totals		<u>\$ 2,724,408</u>	<u>\$ 1,091,614</u>

GREATER JASPER CONSOLIDATED SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2017

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

	Ending Balance
Governmental activities:	
Land	\$ 2,022,106
Buildings	136,221,446
Improvements other than buildings	11,157,503
Machinery, equipment, and vehicles	<u>355,295</u>
Total governmental activities	<u>149,756,350</u>
Total capital assets	<u>\$ 149,756,350</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE GREATER JASPER CONSOLIDATED
SCHOOLS, DUBOIS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Greater Jasper Consolidated Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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. Except as discussed below, 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2017-004, in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

Unmodified Opinion on Special Education Cluster (IDEA)

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 its Special Education Cluster (IDEA) for the period of July 1, 2015 to June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-005, and 2017-006. 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 the Uniform Guidance, 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.


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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-004, 2017-005, and 2017-006, that we consider to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

May 16, 2018

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.

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GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY2016	\$ -	\$ 120,068	\$ -	\$ -
School Breakfast Program		10.553	FY2017	-	-	-	140,418
Total - School Breakfast Program				-	120,068	-	140,418
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555	FY2016	-	506,538	-	-
National School Lunch Program		10.555	FY2017	-	-	-	614,729
School Lunch Commodities		10.555	FY2016	-	97,792	-	-
School Lunch Commodities		10.555	FY2017	-	-	-	79,792
Total - National School Lunch Program				-	604,330	-	694,521
Total - Child Nutrition Cluster				-	724,398	-	834,939
Total - Department of Agriculture				-	724,398	-	834,939
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
FY2014 Part B IDEA 611	Indiana Department of Education	84.027	14214-011-PN01	-	35,279	-	-
FY2015 Part B IDEA 611		84.027	14215-011-PN01	-	303,710	-	38,548
FY2016 Part B IDEA 611		84.027	14216-009-PN01	-	265,353	-	343,476
FY2017 Part B IDEA 611		84.027	14217-009-PN01	-	-	-	254,997
FY2014 TECH ASSIST Grant		84.027	99914-011-TA01	-	1,351	-	-
Total - Special Education Grants to States				-	605,693	-	637,021
Special Education Preschool Grants							
FY2015 Part B 619 PRESCHOOL	Indiana Department of Education	84.173	45715-011-PN01	-	11,191	-	-
FY2016 Part B 619 PRESCHOOL		84.173	45716-009-PN01	-	8,604	-	10,549
FY2017 Part B 619 PRESCHOOL		84.173	45717-009-PN01	-	-	-	4,183
Total - Special Education Preschool Grants				-	19,795	-	14,732
Total - Special Education Cluster (IDEA)				-	625,488	-	651,753

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I 2014-2015		84.010	15-2120	-	86,525	-	-
Title I 2015-2016		84.010	16-2120	-	183,543	-	52,360
Title I 2016-2017		84.010	17-2120	-	-	-	149,852
Total - Title I Grants to Local Educational Agencies				-	270,068	-	202,212
Career and Technical Education -- Basic Grants to States	Indiana Department of Education						
Perkins Grant 2014-2015		84.048	V048A140014	-	15,764	-	-
Voc Perkins 15-16		84.048	V048A150014	-	92,741	-	11,279
Perkins-Rural Grant 2016		84.048	A586-16CI-3255	-	-	-	75,848
Voc Ed-Perkins 2016-2017		84.048	V048A160014	-	-	-	120,446
Rural Perkins Grant 16-17		84.048	A587-17CI-3989	-	-	-	42,603
Total - Career and Technical -- Basic Grants to States				-	108,505	-	250,176
English Language Acquisition State Grants	Indiana Department of Education						
Title III Eng Lang. 2014-2015		84.365	01115-016-PN01	-	6,335	-	-
Title III 2015-2016		84.365	01116-016-PN01	-	23,243	-	4,975
Title III Enl-2016-2017		84.365	01117-015-PN01	-	-	-	25,564
Total - English Language Acquisition State Grants				-	29,578	-	30,539
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education						
Title II 2015-2016		84.367	S367A150013	-	56,377	-	1,443
Title II 2016-2017		84.367	S367A160013	-	-	-	27,777
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	56,377	-	29,220
Total - Department of Education				-	1,090,016	-	1,163,900

GREATER JASPER CONSOLIDATED SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778	FY2016	-	59,458	-	-
Medicaid Reimbursement - Federal		93.778	FY2017	-	-	-	57,526
Medicaid Reimbursement - Federal				-	-	-	-
Total - Medical Assistance Program				-	59,458	-	57,526
Total - Medicaid Cluster				-	59,458	-	57,526
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance							
Promoting Adolescent Health Through School-based HIV/STD Prevention	Indiana State Department of Health	93.079	40093079YRBSH15	-	400	-	-
Total - Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance				-	400	-	-
Maternal and Child Health Services Block Grant							
2014 Maternal and Child Health Services	Indiana State Department of Health	93.994	40093994TITLV14	-	1,000	-	-
Total - Maternal and Child Health Services Block Grant				-	1,000	-	-
Total - Department of Health and Human Services				-	60,858	-	57,526
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)							
Public Assistance Disaster Declaration	Indiana Department of Homeland Security	97.036	385PA199700000	-	-	-	4,316
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)				-	-	-	4,316
Total - Department of Homeland Security				-	-	-	4,316
Total federal awards expended				\$ -	\$ 1,875,272	\$ -	\$ 2,060,681

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

GREATER JASPER CONSOLIDATED SCHOOLS
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, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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 the Uniform Guidance, 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. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. *Exceptional Children's Co-op*

The School Corporation is a member of the Exceptional Children's Co-op (Cooperative) and serves as the fiscal agent of the Cooperative. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Qualified
Special Education Cluster (IDEA)	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

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

1. Management of the School Corporation had not established an adequate internal control system related to receipts in the extracurricular School Lunch fund.

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Administrative Secretary/Extracurricular Treasurer posted collections from the school cafeterias into the extracurricular ledger using only bank deposit receipts with no supporting documentation attached. The school cafeteria managers ran "Daily Record of Cash Received" (Form AEB SF-2) in each cafeteria. These reports were used to reconcile the cafeteria drawers and to prepare the daily bank deposits. However, these reports were not submitted to the Administrative Secretary/Extracurricular Treasurer as support for the daily deposits posted to the extracurricular account ledger; the school cafeteria managers only supplied a copy of the bank generated deposit slip.

There was no evidence of internal controls to ensure that the cafeteria receipts recorded in the extracurricular accounts ledger were accurate.

2. Management of the School Corporation had not established an adequate internal control system related to financial transactions and reporting activity over the Self Insurance Reserve and Self Insurance funds.

The School Corporation utilized a third-party administrator to administer the Greater Jasper Consolidated Schools Employee Benefit Trust, which consisted of both the Self Insurance Reserve and Self Insurance funds. The third-party administrator provided the School Corporation with a detailed reconciliation worksheet showing the monthly income and expenditures and ending cash balances. The School Corporation used the reconciliation worksheet to enter receipts and disbursements into the Self Insurance Reserve and Self Insurance funds on the financial statement.

There was no evidence of any controls to verify that the information received from the third-party administrator was accurate and to ensure that the disbursements reflected in both the Self Insurance Reserve and Self Insurance funds on the financial statement were accurate.

Context

The lack of internal controls were systemic issues, which occurred throughout the audit period.

Criteria

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

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

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

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

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

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

Effect

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

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Special Education Grants to States - Procurement and 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): 14215-011-PN01, 14216-009-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-005.

Condition

The School Corporation was a member of the Exceptional Children's Co-op (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the Special Education Grant funds.

The Cooperative's Director signed the Application and Assurance Plan as a Condition of Federal Assistance, which stated that the Cooperative will check the subcontractors to make sure they are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal agency, or by any department, agency or political subdivision of the State of Indiana. However, the Cooperative did not have procedures in place to verify that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with the vendors.

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

During the 2015-2016 school year, there were two covered transactions entered into that exceeded \$25,000. The Cooperative did not verify that the vendors were not suspended or debarred prior to entering into a covered transaction.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 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

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

Effect

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

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment requirements listed above.

Views of Responsible Officials

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

FINDING 2017-003

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation entered into a covered transaction with a food and supply vendor. The total purchases in fiscal year 2017 for food and supplies from the vendor exceeded \$150,000, an amount over the Simplified Acquisition Threshold (greater than \$150,000), for which the Federal Procurement policy required the School Corporation to advertise for bids or Request For Proposals (RFP) prior to purchase. Food and supply purchases were not procured in accordance with the federal policies and procedures.

The School Corporation did not verify that the vendor with whom the School Corporation entered into a covered transaction with, was not suspended or debarred.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled non-compliance with the Procurement and Suspension and Debarment compliance requirement.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement. . . .

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.
..."

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-004

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

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 Program Income compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded. An oversight, review, or approval process had not been established.

In June 2016, the School Corporation established a prepaid account within each school's cafeteria fund to account for money paid in advance by students for meals. The School Corporation attempted to identify the balance of the prepaid funds for each student to begin using the established account as recommended.

When prepaid funds were received from students during the school year, the payments were receipted into each school's Cafeteria Fund, Prepaid Accounts. However, when meals were purchased, the amount that should have been transferred from the prepaid account to the paid meal accounts was incorrectly posted as a negative receipt from the prepaid accounts. Due to the method of recordkeeping, compliance with the Program Income compliance requirement could not be determined for either school year.

Context

This was a systemic issue. The School Corporation's procedures for recording revenues in the School Lunch fund prevented the ability to determine whether the School Corporation was in compliance with the Program Income compliance requirement for the entire audit period.

Criteria

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). . . ."

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR 210.14(c) states:

"Financial assurances. The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(i) states in part: "Each State agency, . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were segregated and available for audit.

Effect

The failure to establish effective internal controls that would have ensured that prepaid receipts and program income receipts were segregated and available for audit prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that prepaid receipts and program income receipts were segregated and available for audit related to the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2017-005

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-004.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement.

The Annual Financial Report for the 2016-2017 program year and the School Food Authority (SFA) Verification Collection Reports for the 2015-2016 and 2016-2017 program years were prepared by the School Corporation Administrative Secretary/Extracurricular Treasurer who also submitted the reports on the Indiana Department of Education's website. There was no segregation of duties, such as an oversight, review, or approval process to ensure that the required reports were accurately prepared and submitted.

In addition, supporting documentation was not maintained to verify the accuracy of the information reported on the School Food Authority (SFA) Verification Collection Reports for the 2015-2016 and 2016-2017 program years.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled noncompliance with the Reporting compliance requirement.

Criteria

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). . . ."

7 CFR 245.6a(h) states in part:

"*Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . . Local educational agencies shall retain copies of the information reported under this section and all supporting documents for a minimum of 3 years. All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which documents were submitted by the household and the date of submission. All relevant correspondence between the households selected for verification and the school or local educational agency must be retained. . . ."

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

FINDING 2017-006

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

The School Food Authority (SFA) Verification Collection Report for the 2015-2016 and 2016-2017 program years indicated that 13 applications were selected each year for verification; however, information was not available, for either year, to support the total number of applications that were reported on the School Food Authority (SFA) Verification Report in order to determine whether the correct number of applications were selected for verification.

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled noncompliance with the Special Testing and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Criteria

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). . . ."

7 CFR 245.6a(h) states in part:

"*Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . . Local educational agencies shall retain copies of the information reported under this section and all supporting documents for a minimum of 3 years. All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which documents were submitted by the household and the date of submission. All relevant correspondence between the households selected for verification and the school or local educational agency must be retained. . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

GREATER JASPER CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: FY13/14, FY 14/15
Pass Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Monica Young, Treasurer
Contact Phone Number: 812-482-1801

Status of Audit Finding:

Corrective Action Plan has been completed.

FINDING 2015-002

Fiscal year in which the finding initially occurred: FY13/14, FY 14/15
Pass Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Monica Young, Treasurer
Contact Phone Number: 812-482-1801

Status of Audit Finding:

Corrective Action Plan has been completed.

FINDING 2015-003

Fiscal year in which finding initially occurred: FY13/14, FY 14/15
Pass Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Monica Young, Treasurer
Contact Phone Number: 812-482-1801

Status of Audit Finding:

Corrective Action Plan has been completed.

FINDING 2015-004

Fiscal year in which finding initially occurred: FY13/14, FY 14/15
Pass Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Monica Young, Treasurer
Contact Phone Number: 812-482-1801

Status of Audit Finding:



Corrective Action Plan has been completed for Monthly Sponsor Claims (claims for reimbursement). The Corrective Action Plan will be completed for the Annual Financial Reports for 17-18 school year.

FINDING 2015-005

Fiscal year in which finding initially occurred: FY13/14, FY 14/15

Pass Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Monica Young, Treasurer

Contact Phone Number: 812-482-1801

Status of Audit Finding:

Corrective Action Plan has been completed during the 16-17 school year.

Monica Young
(Signature)

Treasurer
(Title)

April 9, 2018
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action:

#1 Katie Knies

#2 April Hopf

Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

#1 – School Cafeteria Managers will be required to submit “Daily Record of Cash Received” for each cafeteria with their daily bank deposits. This will be an internal control as “Daily Record of Cash Received” must equal the daily bank deposit.

#2—To increase the Internal Controls of the Self-Insurance plan, we requested that we receive monthly statements for all accounts through the plan. We have requested when their audit is complete we receive verification of the findings. These audits include auditing of financial transactions (accounting) and accuracy/appropriations of claims payments in accordance to the plan provisions.

Anticipated Completion Date: May 1, 2018

Katie Knies April Hopf
(Signature)

FSI Secretary
(Title)

4/30/2018 4/30/2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Monica Young
Contact Phone Number: 812-482-1801

Views of Responsible Official: Changes were made during the 2016-2017 School Year

Description of Corrective Action Plan: The Exceptional Children's Co-op check with subcontractors to make sure they are not presently debarred, suspended, proposed debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana before contracts are signed.

Anticipated Completion Date: This was changed during the 2016-2017 School Year.

Monica Young
(Signature)

Treasurer
(Title)

April 30, 2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The School Corporation will comply with the Procurement and Suspension and Debarment compliance requirement.

Anticipated Completion Date: August 9th, 2018

Katie Knies
(Signature)

FSD
(Title)

4/30/2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801


Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: At the end of the current school year the school corporation will correct the prepaid balance of accounts. Moving forward, the school corporation will match the negative and positive balances to the Sales Activity Report each month to ensure the correct prepaid amount is being transferred.


Anticipated Completion Date: August 9, 2018



(Signature)



(Title)



(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The new Food Service Director will initiate the Annual Financial Report and the School Food Authority Verification Collection Report. The School Corporation Administrative Secretary will review the reports for accuracy.

Anticipated Completion Date: July 1, 2018

Katie Knies

(Signature)

FSD

(Title)

4/30/2018

(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The school corporation will contact the cafeteria software's support and ask for reports needed to support Verification Collection Report that is generated by the cafeteria software.

Anticipated Completion Date: October 1, 2018

Katie Knies
(Signature)

FSD
(Title)

4/30/2018
(Date)

OTHER REPORTS

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