

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JENNINGS COUNTY SCHOOL CORPORATION
JENNINGS COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
02/22/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amber K. Fields	07-01-15 to 06-30-19
Superintendent of Schools	Dr. Terry Sargent Teresa A. Brown	07-01-15 to 06-30-17 07-01-17 to 06-30-19
President of the School Board	Steve Elmore	07-01-15 to 06-30-19



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 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

December 20, 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 JENNINGS COUNTY SCHOOL
CORPORATION, JENNINGS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Jennings County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 20, 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 items 2017-001 and 2017-002, that we consider to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002.

Jennings County School Corporation's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 20, 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.

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JENNINGS COUNTY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 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	\$ 2,131,790	\$ 30,961,393	\$ 31,338,352	\$ 8,501	\$ 1,763,332	\$ 34,043,210	\$ 28,975,084	\$ (2,166,750)	\$ 4,664,708
Debt Service	1,993,622	3,244,463	3,136,346	(72,094)	2,029,645	3,310,449	3,257,954	(7,377)	2,074,763
Retirement/Severance Bond Debt Service	46,870	388,829	384,395	-	51,304	385,120	387,947	-	48,477
Capital Projects	2,150,519	3,447,130	3,846,350	-	1,751,299	3,486,670	3,442,595	-	1,795,374
School Transportation	905,460	3,856,348	3,063,753	(680,000)	1,018,055	3,993,865	3,220,880	(635,000)	1,156,040
School Bus Replacement	2,071	253,490	253,899	-	1,662	224,739	226,386	-	15
Rainy Day	2,886,097	868,083	824,447	680,000	3,609,733	-	3,653,200	635,000	591,533
Construction	3,077	25	926,836	923,734	-	1,420,000	1,417,156	-	2,844
School Lunch	778,268	2,359,610	2,504,674	-	633,204	2,451,010	2,432,886	-	651,328
Textbook Rental	267	528,184	597,728	72,094	2,817	760,734	727,595	(31,000)	4,956
Self-Insurance	1,571	7,682,278	7,659,193	-	24,656	9,270,101	9,294,381	-	376
Child Care Program	75,620	-	-	-	75,620	-	-	-	75,620
Educational License Plates	6,313	-	-	-	6,313	-	-	-	6,313
Alternative Education	-	27,350	27,350	-	-	38,106	38,106	-	-
SAFE School Haven	-	7,089	7,089	-	-	226	-	-	226
Early Intervention Grant	-	7,671	-	-	7,671	(226)	7,445	-	-
Donation	2,680	-	2,302	3,944	4,322	7,251	7,078	807	5,302
ECO - 15 Grant	(18,795)	38,127	19,331	-	1	-	-	-	1
Comprehensive Counseling	-	-	-	-	-	30,000	8,282	-	21,718
Instruction Support	16,168	-	16,168	-	-	43,124	48,281	-	(5,157)
High Ability Grant	-	44,022	36,832	-	7,190	-	7,189	-	1
Education Technology	-	-	419,364	-	(419,364)	854,882	586,006	-	(150,488)
Adult and Continuing Education	(69,004)	226,175	200,161	-	(42,990)	220,844	236,548	-	(58,694)
Medicaid Reimbursement	135,761	39,234	-	-	174,995	43,503	-	-	218,498
Secured Schools Safety Grant	-	-	-	-	-	27,454	51,993	-	(24,539)
Non-English Speaking Programs	-	11,431	9,792	-	1,639	14,600	13,259	-	2,980
School Technology	5,111	4,404	7,271	-	2,244	6,308	2,244	-	6,308
Technology Device Insurance	-	-	-	-	-	147,977	65,674	-	82,303
Career and Technical Performance Grant	-	-	-	-	-	29,836	13,005	-	16,831
Performance Based Awards	6,205	-	-	(6,205)	-	-	-	-	-
Senator David Ford Technology	-	-	-	-	-	-	3,181	-	(3,181)
Title I	(92,648)	975,912	1,141,188	-	(257,924)	1,330,335	1,167,632	-	(95,221)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(97,623)	402,061	353,316	-	(48,878)	727,875	811,445	-	(132,448)
FY 2010 Part B, IDEA	(52,967)	729,808	785,613	-	(108,772)	429,434	448,750	-	(128,088)
Federal Assistance Educational Preschool Handicapped	-	30,227	30,227	-	-	-	-	-	-
Special Ed Preschool	-	-	-	-	-	-	31,528	-	(31,528)
Preschool	(30,721)	30,721	-	-	-	-	-	-	-
Medicaid Reimbursement - Federal	4,299	106,883	96,214	-	14,968	115,059	86,251	-	43,776
Improving Teacher Quality, No Child Left, Title II, Part A	(11,461)	187,148	188,360	-	(12,673)	215,974	213,866	-	(10,565)
Rural Schools and Low Income Program - Pass Through State	-	-	74,800	-	(74,800)	74,800	-	-	-
Title III - Language Instruction	2,437	8,364	9,846	-	955	9,848	9,848	-	955
McKinney - Vento Education for Homeless	(335)	17,471	34,232	-	(17,096)	3,622	(10,807)	-	(2,667)
School Lunch Equipment	-	12,498	-	-	12,498	-	12,498	-	-
Payroll Withholdings	-	8,145,326	8,145,326	-	-	8,219,226	8,219,226	-	-
Totals	\$ 10,780,652	\$ 64,641,755	\$ 66,140,755	\$ 929,974	\$ 10,211,626	\$ 71,935,956	\$ 69,114,592	\$ (2,204,320)	\$ 10,828,670

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

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

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

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

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

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

JENNINGS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

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

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with JC School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$2,434,000 and \$2,520,000, respectively.

Note 9. Other Postemployment Benefits

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

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OTHER INFORMATION - UNAUDITED

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

JENNINGS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 2,131,790	\$ 1,993,622	\$ 46,870	\$ 2,150,519	\$ 905,460	\$ 2,071	\$ 2,886,097	\$ 3,077	\$ 778,268
Receipts:									
Local sources	204,410	3,213,930	388,829	3,447,110	3,856,226	183,490	68,083	25	730,791
Intermediate sources	37	-	-	-	-	-	-	-	-
State sources	29,657,135	-	-	-	-	-	-	-	18,053
Federal sources	-	-	-	-	-	-	-	-	1,610,766
Interfund loans	1,040,000	-	-	-	-	70,000	800,000	-	-
Other receipts	59,811	30,533	-	20	122	-	-	-	-
Total receipts	30,961,393	3,244,463	388,829	3,447,130	3,856,348	253,490	868,083	25	2,359,610
Disbursements:									
Instruction	19,960,661	-	-	-	-	-	267,855	-	-
Support services	8,038,731	-	-	2,410,668	3,063,753	203,899	556,592	-	740
Noninstructional services	648,960	-	-	-	-	-	-	-	2,503,934
Facilities acquisition and construction	-	-	-	1,435,682	-	-	-	566,836	-
Debt service	-	3,136,346	384,395	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	2,690,000	-	-	-	-	50,000	-	360,000	-
Total disbursements	31,338,352	3,136,346	384,395	3,846,350	3,063,753	253,899	824,447	926,836	2,504,674
Excess (deficiency) of receipts over disbursements	(376,959)	108,117	4,434	(399,220)	792,595	(409)	43,636	(926,811)	(145,064)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	923,734	-
Sale of capital assets	2,296	-	-	-	-	-	-	-	-
Transfers in	6,205	-	-	-	-	-	680,000	-	-
Transfers out	-	(72,094)	-	-	(680,000)	-	-	-	-
Total other financing sources (uses)	8,501	(72,094)	-	-	(680,000)	-	680,000	923,734	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(368,458)	36,023	4,434	(399,220)	112,595	(409)	723,636	(3,077)	(145,064)
Cash and investments - ending	\$ 1,763,332	\$ 2,029,645	\$ 51,304	\$ 1,751,299	\$ 1,018,055	\$ 1,662	\$ 3,609,733	\$ -	\$ 633,204

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	Textbook Rental	Self- Insurance	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant	Donation	ECO - 15 Grant
Cash and investments - beginning	\$ 267	\$ 1,571	\$ 75,620	\$ 6,313	\$ -	\$ -	\$ -	\$ 2,680	\$ (18,795)
Receipts:									
Local sources	163,238	5,232,278	-	-	-	-	-	-	38,127
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	194,946	-	-	-	27,350	7,089	7,671	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	170,000	2,450,000	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	528,184	7,682,278	-	-	27,350	7,089	7,671	-	38,127
Disbursements:									
Instruction	-	-	-	-	27,350	-	-	-	19,331
Support services	382,728	3,301,665	-	-	-	7,089	-	2,302	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	5,119	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,137,409	-	-	-	-	-	-	-
Interfund loans	215,000	1,215,000	-	-	-	-	-	-	-
Total disbursements	597,728	7,659,193	-	-	27,350	7,089	-	2,302	19,331
Excess (deficiency) of receipts over disbursements	(69,544)	23,085	-	-	-	-	7,671	(2,302)	18,796
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	3,944	-
Transfers in	72,094	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	72,094	-	-	-	-	-	-	3,944	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,550	23,085	-	-	-	-	7,671	1,642	18,796
Cash and investments - ending	\$ 2,817	\$ 24,656	\$ 75,620	\$ 6,313	\$ -	\$ -	\$ 7,671	\$ 4,322	\$ 1

JENNINGS COUNTY SCHOOL CORPORATION
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	Comprehensive Counseling	Instruction Support	High Ability Grant	Education Technology	Adult and Continuing Education	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ -	\$ 16,168	\$ -	\$ -	\$ (69,004)	\$ 135,761	\$ -	\$ -	\$ 5,111
Receipts:									
Local sources	-	-	-	-	226,175	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	44,022	-	-	39,234	-	11,431	4,404
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	44,022	-	226,175	39,234	-	11,431	4,404
Disbursements:									
Instruction	-	16,168	36,832	-	200,161	-	-	9,792	-
Support services	-	-	-	419,364	-	-	-	-	7,271
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,168	36,832	419,364	200,161	-	-	9,792	7,271
Excess (deficiency) of receipts over disbursements	-	(16,168)	7,190	(419,364)	26,014	39,234	-	1,639	(2,867)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(16,168)	7,190	(419,364)	26,014	39,234	-	1,639	(2,867)
Cash and investments - ending	\$ -	\$ -	\$ 7,190	\$ (419,364)	\$ (42,990)	\$ 174,995	\$ -	\$ 1,639	\$ 2,244

JENNINGS COUNTY SCHOOL CORPORATION
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	Technology Device Insurance	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	FY 2010 Part B, IDEA	Federal Assistance Education Preschool Handicapped	Special Ed Preschool
Cash and investments - beginning	\$ -	\$ -	\$ 6,205	\$ -	\$ (92,648)	\$ (97,623)	\$ (52,967)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	975,912	402,061	729,808	30,227	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	975,912	402,061	729,808	30,227	-
Disbursements:									
Instruction	-	-	-	-	1,067,353	209,516	413,160	30,227	-
Support services	-	-	-	-	8,883	143,800	372,453	-	-
Noninstructional services	-	-	-	-	10,536	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	54,416	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,141,188	353,316	785,613	30,227	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(165,276)	48,745	(55,805)	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(6,205)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(6,205)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(6,205)	-	(165,276)	48,745	(55,805)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (257,924)	\$ (48,878)	\$ (108,772)	\$ -	\$ -

JENNINGS COUNTY SCHOOL CORPORATION
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	Preschool	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Rural Schools and Low Income Program - Pass Through State	Title III - Language Instruction	McKinney - Vento Education for Homeless	School Lunch Equipment	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (30,721)	\$ 4,299	\$ (11,461)	\$ -	\$ 2,437	\$ (335)	\$ -	\$ -	\$ 10,780,652
Receipts:									
Local sources	-	-	-	-	-	-	-	-	17,752,712
Intermediate sources	-	-	-	-	-	-	-	-	37
State sources	-	-	-	-	8,364	-	-	-	30,019,699
Federal sources	30,721	106,883	187,148	-	-	17,471	12,498	-	4,103,495
Interfund loans	-	-	-	-	-	-	-	-	4,530,000
Other receipts	-	-	-	-	-	-	-	8,145,326	8,235,812
Total receipts	30,721	106,883	187,148	-	8,364	17,471	12,498	8,145,326	64,641,755
Disbursements:									
Instruction	-	-	69,267	-	9,789	-	-	-	22,337,462
Support services	-	96,214	119,093	74,800	-	34,232	-	-	19,244,277
Noninstructional services	-	-	-	-	-	-	-	-	3,163,430
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,007,637
Debt service	-	-	-	-	-	-	-	-	3,520,741
Nonprogrammed charges	-	-	-	-	57	-	-	8,145,326	11,337,208
Interfund loans	-	-	-	-	-	-	-	-	4,530,000
Total disbursements	-	96,214	188,360	74,800	9,846	34,232	-	8,145,326	66,140,755
Excess (deficiency) of receipts over disbursements	30,721	10,669	(1,212)	(74,800)	(1,482)	(16,761)	12,498	-	(1,499,000)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	923,734
Sale of capital assets	-	-	-	-	-	-	-	-	6,240
Transfers in	-	-	-	-	-	-	-	-	758,299
Transfers out	-	-	-	-	-	-	-	-	(758,299)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	929,974
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,721	10,669	(1,212)	(74,800)	(1,482)	(16,761)	12,498	-	(569,026)
Cash and investments - ending	\$ -	\$ 14,968	\$ (12,673)	\$ (74,800)	\$ 955	\$ (17,096)	\$ 12,498	\$ -	\$ 10,211,626

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	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 1,763,332	\$ 2,029,645	\$ 51,304	\$ 1,751,299	\$ 1,018,055	\$ 1,662	\$ 3,609,733	\$ -	\$ 633,204
Receipts:									
Local sources	166,668	3,292,596	385,120	3,483,066	3,992,349	184,439	-	-	750,199
Intermediate sources	62	-	-	-	-	-	-	-	-
State sources	29,958,156	-	-	-	-	-	-	-	17,530
Federal sources	-	-	-	-	-	-	-	-	1,683,281
Interfund loans	3,821,000	-	-	-	-	40,300	-	1,420,000	-
Other receipts	97,324	17,853	-	3,604	1,516	-	-	-	-
Total receipts	34,043,210	3,310,449	385,120	3,486,670	3,993,865	224,739	-	1,420,000	2,451,010
Disbursements:									
Instruction	19,554,948	-	-	-	-	-	-	-	-
Support services	8,921,423	-	-	2,063,017	3,220,880	156,386	9,000	-	910
Noninstructional services	498,713	-	-	-	-	-	-	-	2,431,976
Facilities acquisition and construction	-	-	-	1,379,578	-	-	78,900	1,417,156	-
Debt service	-	3,257,954	387,947	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	70,000	3,565,300	-	-
Total disbursements	28,975,084	3,257,954	387,947	3,442,595	3,220,880	226,386	3,653,200	1,417,156	2,432,886
Excess (deficiency) of receipts over disbursements	5,068,126	52,495	(2,827)	44,075	772,985	(1,647)	(3,653,200)	2,844	18,124
Other financing sources (uses):									
Sale of capital assets	4,250	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	635,000	-	-
Transfers out	(2,171,000)	(7,377)	-	-	(635,000)	-	-	-	-
Total other financing sources (uses)	(2,166,750)	(7,377)	-	-	(635,000)	-	635,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,901,376	45,118	(2,827)	44,075	137,985	(1,647)	(3,018,200)	2,844	18,124
Cash and investments - ending	\$ 4,664,708	\$ 2,074,763	\$ 48,477	\$ 1,795,374	\$ 1,156,040	\$ 15	\$ 591,533	\$ 2,844	\$ 651,328

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	Textbook Rental	Self- Insurance	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant	Donation	ECO - 15 Grant
Cash and investments - beginning	\$ 2,817	\$ 24,656	\$ 75,620	\$ 6,313	\$ -	\$ -	\$ 7,671	\$ 4,322	\$ 1
Receipts:									
Local sources	142,654	5,400,101	-	-	-	-	-	7,251	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	204,703	-	-	-	38,106	226	(226)	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	406,000	3,870,000	-	-	-	-	-	-	-
Other receipts	7,377	-	-	-	-	-	-	-	-
Total receipts	760,734	9,270,101	-	-	38,106	226	(226)	7,251	-
Disbursements:									
Instruction	-	-	-	-	38,106	-	-	-	-
Support services	697,595	66,473	-	-	-	-	7,445	7,078	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,537,908	-	-	-	-	-	-	-
Interfund loans	30,000	3,690,000	-	-	-	-	-	-	-
Total disbursements	727,595	9,294,381	-	-	38,106	-	7,445	7,078	-
Excess (deficiency) of receipts over disbursements	33,139	(24,280)	-	-	-	226	(7,671)	173	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	807	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(31,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(31,000)	-	-	-	-	-	-	807	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,139	(24,280)	-	-	-	226	(7,671)	980	-
Cash and investments - ending	\$ 4,956	\$ 376	\$ 75,620	\$ 6,313	\$ -	\$ 226	\$ -	\$ 5,302	\$ 1

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	Comprehensive Counseling	Instruction Support	High Ability Grant	Education Technology	Adult and Continuing Education	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ -	\$ -	\$ 7,190	\$ (419,364)	\$ (42,990)	\$ 174,995	\$ -	\$ 1,639	\$ 2,244
Receipts:									
Local sources	-	-	-	-	220,844	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	43,503	27,454	14,600	6,308
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	30,000	43,124	-	854,882	-	-	-	-	-
Total receipts	30,000	43,124	-	854,882	220,844	43,503	27,454	14,600	6,308
Disbursements:									
Instruction	-	48,281	7,189	-	236,548	-	-	13,259	-
Support services	8,282	-	-	586,006	-	-	51,993	-	2,244
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	8,282	48,281	7,189	586,006	236,548	-	51,993	13,259	2,244
Excess (deficiency) of receipts over disbursements	21,718	(5,157)	(7,189)	268,876	(15,704)	43,503	(24,539)	1,341	4,064
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,718	(5,157)	(7,189)	268,876	(15,704)	43,503	(24,539)	1,341	4,064
Cash and investments - ending	\$ 21,718	\$ (5,157)	\$ 1	\$ (150,488)	\$ (58,694)	\$ 218,498	\$ (24,539)	\$ 2,980	\$ 6,308

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	Technology Device Insurance	Career and Technical Performance Grant	Performance Based Awards	Senator David Ford Technology	Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	FY 2010 Part B, IDEA	Federal Assistance Education Preschool Handicapped	Special Ed Preschool
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (257,924)	\$ (48,878)	\$ (108,772)	\$ -	\$ -
Receipts:									
Local sources	7,355	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	29,836	-	-	-	-	-	-	-
Federal sources	-	-	-	-	1,330,335	727,875	429,434	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	140,622	-	-	-	-	-	-	-	-
Total receipts	147,977	29,836	-	-	1,330,335	727,875	429,434	-	-
Disbursements:									
Instruction	-	10,948	-	-	778,460	468,453	369,215	-	31,528
Support services	65,674	2,057	-	3,181	380,969	306,992	79,535	-	-
Noninstructional services	-	-	-	-	8,203	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	36,000	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	65,674	13,005	-	3,181	1,167,632	811,445	448,750	-	31,528
Excess (deficiency) of receipts over disbursements	82,303	16,831	-	(3,181)	162,703	(83,570)	(19,316)	-	(31,528)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	82,303	16,831	-	(3,181)	162,703	(83,570)	(19,316)	-	(31,528)
Cash and investments - ending	\$ 82,303	\$ 16,831	\$ -	\$ (3,181)	\$ (95,221)	\$ (132,448)	\$ (128,088)	\$ -	\$ (31,528)

JENNINGS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Preschool	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Rural Schools and Low Income Program - Pass Through State	Title III - Language Instruction	McKinney - Vento Education for Homeless	School Lunch Equipment	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 14,968	\$ (12,673)	\$ (74,800)	\$ 955	\$ (17,096)	\$ 12,498	\$ -	\$ 10,211,626
Receipts:									
Local sources	-	-	-	-	-	3,622	-	-	18,036,264
Intermediate sources	-	-	-	-	-	-	-	-	62
State sources	-	-	-	-	9,848	-	-	-	30,350,044
Federal sources	-	115,059	215,974	74,800	-	-	-	-	4,576,758
Interfund loans	-	-	-	-	-	-	-	-	9,557,300
Other receipts	-	-	-	-	-	-	-	8,219,226	9,415,528
Total receipts	-	115,059	215,974	74,800	9,848	3,622	-	8,219,226	71,935,956
Disbursements:									
Instruction	-	-	59,469	-	9,848	-	-	-	21,626,252
Support services	-	86,251	146,094	-	-	(11,382)	-	-	16,858,103
Noninstructional services	-	-	2,645	-	-	-	12,498	-	2,954,035
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,875,634
Debt service	-	-	-	-	-	-	-	-	3,645,901
Nonprogrammed charges	-	-	5,658	-	-	575	-	8,219,226	13,799,367
Interfund loans	-	-	-	-	-	-	-	-	7,355,300
Total disbursements	-	86,251	213,866	-	9,848	(10,807)	12,498	8,219,226	69,114,592
Excess (deficiency) of receipts over disbursements	-	28,808	2,108	74,800	-	14,429	(12,498)	-	2,821,364
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	5,057
Transfers in	-	-	-	-	-	-	-	-	635,000
Transfers out	-	-	-	-	-	-	-	-	(2,844,377)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(2,204,320)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	28,808	2,108	74,800	-	14,429	(12,498)	-	617,044
Cash and investments - ending	\$ -	\$ 43,776	\$ (10,565)	\$ -	\$ 955	\$ (2,667)	\$ -	\$ -	\$ 10,828,670

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JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 100,000</u>	<u>\$ 250,000</u>

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
JC School Building Corporation	Sand Creek Elem Construction	\$ 915,500	1/15/2009	1/15/2019
JC School Building Corporation	Scipio-Brush-MS 2014 A	111,500	8/14/2014	1/5/2027
JC School Building Corporation	JCHS Renovation/Addition	896,000	7/15/2009	1/15/2020
JC School Building Corporation	Scipio-Brush-MS 2014 B Taxable	317,500	8/14/2014	1/15/2018
JC School Building Corporation	2014 HVAC A	132,000	6/19/2014	1/15/2028
JC School Building Corporation	2014 HVAC B	143,500	6/19/2014	1/15/2028
JC School Building Corporation	2014 HVAC C	154,500	6/19/2014	1/15/2028
JC School Building Corporation	2015 HVAC	<u>136,000</u>	7/23/2015	1/15/2020
Total governmental activities		<u>2,806,500</u>		
Total of annual lease payments		<u>\$ 2,806,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Quality School Construction Bonds	\$ 209,228	\$ 213,251
General obligation bonds	SB 199 Pension Bonds	895,000	390,108
Notes and loans payable	Common School Loans for Technology	<u>672,440</u>	<u>300,841</u>
Total governmental activities		<u>1,776,668</u>	<u>904,200</u>
Totals		<u>\$ 1,776,668</u>	<u>\$ 904,200</u>

JENNINGS COUNTY SCHOOL CORPORATION
 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	\$ 9,000,000
Infrastructure	10
Buildings	155,607,147
Improvements other than buildings	2,188,426
Machinery, equipment, and vehicles	5,319,064
Construction in progress	8,026,124
Books and other	<u>2,659,532</u>
Total governmental activities	<u>182,800,303</u>
Total capital assets	<u>\$ 182,800,303</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the Jennings County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *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 Title I Grants to Local Educational Agencies

As described in item 2017-006 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 the Title I Grants to Local Educational Agencies program regarding Eligibility. 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 Title I Grants to Local Educational Agencies

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period of July 1, 2015 to June 30, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 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 item 2017-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 2017-003, 2017-004, 2017-005, 2017-006, and 2017-007, 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
Paul D. Joyce, CPA
State Examiner

December 20, 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.

JENNINGS COUNTY SCHOOL CORPORATION
 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	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>					
Child Nutrition Discretionary Grants Limited Availability Stimulus School Lunch Equipment	Indiana Department of Education	10.579	A58-6-16SS-0094	\$ 12,498	\$ -
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553		405,479	-
School Breakfast Program			FY 15-16	-	441,993
School Breakfast Program			FY 16-17	-	-
Total - School Breakfast Program				405,479	441,993
National School Lunch Program	Indiana Department of Education	10.555			
School Lunch Program			FY 15-16	1,205,287	-
School Lunch Program			FY 16-17	-	1,241,288
School Lunch Commodities			FY 15-16	123,227	-
School Lunch Commodities			FY 16-17	-	55,705
Total - National School Lunch Program				1,328,514	1,296,993
Total - Child Nutrition Cluster				1,733,993	1,738,986
Total - Department of Agriculture				1,746,491	1,738,986
<u>Department of Education</u>					
Adult Education - Basic Grants to States	Indiana Department of Education	84.002			
Adult Education FY13-14			CI-AE-4-87	55,918	-
Adult Education FY14-15			CI-AE-5-87	5,076	66,912
Adult Education FY15-16			CI-AE-6-87	-	14,658
Total - Adult Education - Basic Grants to States				60,994	81,570
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I 14-15			15-4015	263,366	18,847
Title I 15-16			16-4015	712,546	495,065
Title I 16-17			17-4015	-	816,422
Total - Title I Grants to Local Educational Agencies				975,912	1,330,334
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
Part B Grants FY 13-14			14214-072-PN01	47,419	-
Part B Grants FY 14-15			14215-072-PN01	402,061	68,223
Part B Grants FY 15-16			14216-066-PN01	682,389	429,434
Part B Grants FY 16-17			14217-066-PN01	-	659,652
Total - Special Education_Grants to States				1,131,869	1,157,309

JENNINGS COUNTY SCHOOL CORPORATION
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	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
Special Education_Preschool Grants Part B PreSchool FY 14-15 Part B Preschool FY 15-16	Indiana Department of Education	84.173	45715-072-PN01 45716-072-PN01	30,721 30,227	- -
Total - Special Education_Preschool Grants				60,948	-
Total - Special Education Cluster (IDEA)				1,192,817	1,157,309
Education for Homeless Children and Youth McKinney-Vento for Homeless FY15-16 McKinney-Vento for Homeless FY16-17	Indiana Department of Education	84.196	A58-5-15SS-2801 A58-7-17SS-3942	17,471 -	- 2,412
Total - Education for Homeless Children and Youth				17,471	2,412
Rural Education Rural and Low Income	Indiana Department of Education	84.358	7000S358B150014	-	74,800
English Language Acquisition State Grants Title III FY 15-16 Title III FY 16-17	Indiana Department of Education	84.365	01115-038-PN01 01116-037-PN01	8,364 -	- 9,848
Total - English Language Acquisition State Grants				8,364	9,848
Supporting Effective Instruction State Grants Title II FY 13-14 Title II FY 14-15 Title II FY 15-16 Title II FY 16-17	Indiana Department of Education	84.367	FY 13-14 FY 14-15 FY 15-16 FY 16-17	4,263 137,074 45,811 -	- 31,132 180,576 4,266
Total - Supporting Effective Instruction State Grants				187,148	215,974
Total - Department of Education				2,442,706	2,872,247
<u>Social Security Administration</u>					
Social Security Disability Insurance SSDI FY15-16 SSDI FY16-17	Indiana Family and Social Services Administration	96.001	FY 15-16 FY 16-17	756 -	- 560
Total - Social Security Disability Insurance				756	560
Total - Social Security Administration				756	560
Total federal awards expended				\$ 4,189,953	\$ 4,611,793

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 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.

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
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>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
84.010	Special Education Cluster (IDEA)	Unmodified
	Title I Grants to Local Educational Agencies	Qualified
	Child Nutrition Cluster	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: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

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

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to receipts and cash and investments. The Deputy Treasurer was primarily responsible for issuing receipts, posting receipts, making bank deposits, and performing the monthly bank reconciliations. There was no documented oversight, review, or approval process to prevent, or detect and correct, errors.

Context

The lack of controls was a systemic issue 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. . . ."

Cause

Management had not developed a proper system of internal control over receipts and cash and investments.

Effect

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

Recommendation

We recommended that the School Corporation's management establish controls 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.

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

FINDING 2017-002

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

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-002.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties documented, such as an oversight, review, approval process, or other compensating control.

The SEFA contained the following errors:

1. The Adult Education - Basic Grants to States program was omitted, resulting in an understatement of \$142,564.
2. The Special Education Cluster (IDEA) was understated by \$115,706.
3. The Education for Homeless Children and Youth program was overstated by \$1,210.
4. The Social Security Disability Insurance program was omitted, resulting in an understatement of \$1,316.
5. The Child Nutrition Cluster was understated by \$612,781.
6. The National School Lunch Program Commodities were overstated by \$13,607.

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

Context

The lack of controls and noncompliance were systemic issues 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.

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

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. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Recommendation

We recommended that the School Corporation's management establish controls related to the SEFA.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-003

Subject: Child Nutrition Cluster - Eligibility and 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): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility, Reporting
Audit Finding: Material Weakness

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with the grant agreement and the compliance requirements listed above.

Eligibility

The determination of eligibility was made by one employee without a proper oversight, review, or approval process to ensure the determination was done accurately.

Reporting

One employee was responsible for completing and submitting the required reports, which included the Monthly Sponsor Claims, Verification Summary Report, and the Annual Financial Report, without a proper oversight, review, or approval process to ensure the reports were accurate prior to submission.

Context

The lack of controls was a systemic issue throughout the audit period.

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

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). . . ."

Cause

Management had not developed a system of internal control to ensure compliance with the compliance requirements listed above.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 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): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

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

Condition

An effective internal control system, which would include segregation of duties, 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 established Fund #800, School Lunch Fund, to record all activity of the food service program. Food service program receipts as well as student prepayments were recorded directly to the fund. Student prepayments were required to be recorded in Fund #8400, Prepaid Food.

Context

The lack of controls and noncompliance were systemic issues throughout the 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). . . ."

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 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . ."

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Bulletin and Uniform Compliance Guidelines, September 2008)

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

Cause

Management had not developed a system of internal control that would have ensured compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, enabled noncompliance 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 compliance with 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: Special Education Cluster (IDEA) - Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-072-PN01, 14215-072-PN01,
14216-066-PN01, 14217-066-PN01,
45715-072-PN01, 45716-072-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Reporting compliance requirement.

One employee was responsible for completing and submitting the Final Financial Report. There was no documented oversight, review, or approval process to ensure the report was accurate prior to submission.

Context

The lack of controls was a systemic issue throughout the audit period.

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

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). . . ."

Cause

Management had not developed a system of internal controls related to the grant agreement and the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to 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: Title I Grants to Local Educational Agencies - Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-4015, 16-4015, 17-4015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Modified Opinion

JENNINGS COUNTY SCHOOL CORPORATION
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 2015-009.

Condition

Eligibility - Group of Employees or Area of Service

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the enrollment and poverty data for nonpublic schools reported in the grant applications was maintained and made available for audit. There was no segregation of duties, such as an oversight, review, or approval process to ensure compliance with the Eligibility compliance requirement related to the group of employees or area of service students.

Eligibility - Individuals

The School Corporation had not designed or implemented adequate policies or procedures to ensure that documentation was maintained and made available for audit to determine if all students receiving Title I benefits were eligible. No documentation was presented for audit for all three targeted schools for fiscal year 2016 and one of the three targeted schools for fiscal year 2017. There was no segregation of duties, such as an oversight, review, or approval process to ensure compliance with the Eligibility compliance requirement related to employee students.

Context

The lack of internal controls was a systemic issue throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Eligibility 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). . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

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

Cause

Management had not developed a system of internal controls to ensure that documentation to support compliance with the Eligibility compliance requirement was retained and made available for audit.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-007

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

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-4015, 16-4015, 17-4015

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Period of Performance, Reporting, Special Tests and Provisions - Schoolwide Programs, Special Tests and Provisions - Comparability

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-006.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with the grant agreement and the compliance requirements listed above.

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

Cash Management

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

Period of Performance

The School Corporation had one employee primarily responsible for monitoring that expenditures were within the period of performance. There was no segregation of duties, such as an oversight, review, or approval process to ensure that program expenditures occurred within the period of performance.

Reporting

The School Corporation had one employee primarily responsible for completing and submitting the reimbursement request reports and the final expenditure report. There was no segregation of duties, such as an oversight, review, or approval process to ensure the reports were accurate prior to submission.

Special Tests and Provisions - Schoolwide Programs

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the schoolwide programs requirements. The School Corporation operated a schoolwide program at six of the eight schools within the district. Eligibility was based on the Average Daily Membership (ADM) and poverty levels. One employee was responsible for completing the Title I application and including the ADM and poverty levels. There was no segregation of duties, such as an oversight, review, or approval process to ensure the ADM and poverty level information was accurate prior to inclusion in the application.

Special Tests and Provisions - Comparability

The School Corporation had one employee primarily responsible for completing and submitting the required comparability reports. There was no segregation of duties, such as an oversight, review, or approval process to ensure the comparability reports were accurate prior to submission.

Context

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

JENNINGS COUNTY SCHOOL CORPORATION
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). . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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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.

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana DOE

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Status of Audit Finding:

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

The Bank reconciliations are completed by the Deputy Treasurer and are being reviewed and approved by the Treasurer and the Accounts Payable Clerk effective July 2018.



(Signature)

Treasurer

(Title)

December 19, 2018

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana DOE

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Status of Audit Finding:

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

Beginning with FY19, the Treasurer will input the financial data related to Federal Grants information into Gateway. The report will be printed and reviewed by the Deputy Treasurer.



(Signature)

Treasurer

(Title)

December 19, 2018

(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana DOE

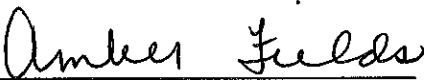
Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Status of Audit Finding:

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

Beginning in FY16, the school corporation will follow the uniform guidance procedures for Time and Effort.



(Signature)

Treasurer

(Title)

December 19, 2018

(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-004

Fiscal year in which the finding initially occurred: FY14

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: 812-346-4483 x1028

Status of Audit Finding:

Effective with school year 2016-2017, we began having the Business Office Bookkeeper complete the reimbursement requests for the Special Education Grant. Before the required reports are submitted, The Director of Special Programs will review these reports for accuracy.

Amber Fields
(Signature)

Treasurer
(Title)

2-19-19
(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-005

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana DOE

Contact Person Responsible for Corrective Action: Amber Fields

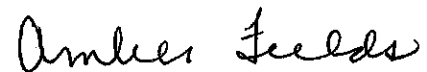
Contact Phone Number: (812) 346-4483

Status of Audit Finding:

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

Beginning in FY16, the school corporation will follow the uniform guidance procedures for Time and Effort.

Beginning in FY18, the comparability reports will be prepared by the Title I Director and will be reviewed by the Superintendent or the Treasurer prior to submission to IDOE.



(Signature)

Treasurer

(Title)

December 19, 2018

(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-006

Fiscal year in which the finding initially occurred: FY14

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: 812-346-4483 x1028

Status of Audit Finding:

Effective with school year 2016-2017, we began having The Business Office Bookkeeper complete the reimbursement requests and comparability reports for the Title I Grant. Before the required reports are submitted, The Title I Director reviews these reports for accuracy. We now have also implemented a second person, The Superintendent of Schools, review the Title I Grant application prior to submission to IDOE. For any students that are removed from the cohort, we will follow the laws and regulations as required under uniform guidance beginning with school year 2017-2018.

Amber Fields

(Signature)

Treasurer

(Title)

2-19-19

(Date)

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-007

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana DOE

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483


Status of Audit Finding:

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

Beginning in FY16, the school corporation will follow the uniform guidance procedures for Time and Effort.

Beginning in FY18, the comparability reports will be prepared by the Title I Director and will be reviewed by the Superintendent or the Treasurer prior to submission to IDOE.

Also, Beginning with FY18, the reimbursement requests and the final reports will be prepared by the Deputy Treasurer and reviewed and approved by the Treasurer or the Title I Director prior to submission to IDOE.



(Signature)

Treasurer

(Title)

December 19, 2018

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: In 2017, after the 2013-15 Audit exit interview with the SBOA, the Business Office began the process of having the Accounts payable person (Dee Dee Lane) reviewing deposits and bank reconciliations. Dee Dee at this time began signing off on the bank reconciliations and balances after the review. This process will continue.

In addition issuing receipts, posting receipts, making bank deposits, cash and investments will be reviewed and signed off on by another person in the Business Office.

Anticipated Completion Date: Immediately

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The Business Office has the Complete Guide to Gateway and Federal Grants printed off and will in the future refer to the guide when entering Federal Grant information into the Gateway System. The Treasurer (Amber Fields) and Deputy Treasurer (Myra Fischvogt) will both enter and review the information before submitting.

Anticipated Completion Date: Immediately

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Beginning with the 2018-19 FY, the Food Service Department will use a stamp that requires "Prepared By" and "Reviewed By" names for Free and Reduced Lunch eligibility, Monthly Sponsor Claims, Verification Summary Reports, and Annual Financial Reports. Reports will be prepared and reviewed for accuracy before submitting to the IDOE.

Anticipated Completion Date: Immediately

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Officials: We concur with the finding

Description of Corrective Action Plan:

Beginning July 1, 2017, the Food Service Department/Business Office together created the fund #8400. All Lunch deposits all collected pre-paid lunch money is now deposited into the fund. From this point forward the Food Service Bookkeeper and the Business Office Bookkeeper will prepare and review deposits and balances utilizing "Prepared By" and "Reviewed By" signatures.

Anticipated Completion Date: Immediately

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Officials: We concur with the finding

Description of Corrective Action Plan:

Beginning July 1, 2017, the Business Office will prepare Final Reports for Federal Special Ed Grants and sign off on Final reports. The Special Programs Director will sign off for review of the Final Reports of Federal Special Education Grants before they are turned into the state.

Anticipated Completion Date: Immediately

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Officials: We concur with the finding

Description of Corrective Action Plan:

Beginning immediately, the employee of St. Mary's Catholic School will provide the eligibility information for all Title I students attending St. Mary's to the JCSC Title I Director. This information will be reviewed by the JCSC Title I Director and signed off on when approved.

In addition, any qualifying documents to show eligibility for a Title I student will be provided to the Title I Director and will then be sent the JCSC Superintendent for final approval.

Anticipated Completion Date: Immediately

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

CORRECTIVE ACTION PLAN

FINDING 2017-007

Contact Person Responsible for Corrective Action: Amber Fields

Contact Phone Number: (812) 346-4483

Views of Responsible Officials: We concur with the finding

Cash Management

Description of Corrective Action Plan:

Beginning July 1, 2017, the Business Office will prepare Reimbursements for Federal Title I Grants, and sign off on preparation of Reimbursements. The Title I Director will review and approve the Reimbursements prior to requesting the Reimbursement of Federal Title I funds.

Anticipated Completion Date: Immediately

Period of Performance

Description of Corrective Action Plan:

Beginning July 1, 2017, the Business Office will prepare Reimbursements for Federal Title I Grants, and ensure by reviewing and signing that all reimbursements were made during the period of performance. The Title I Director will review and approve the Reimbursements prior to requesting the Reimbursement of Federal Title I funds to ensure all reimbursements are within the Period of Performance.

Anticipated Completion Date: Immediately

Reporting

Description of Corrective Action Plan:

Beginning July 1, 2017, the Business Office will prepare Reimbursements for Federal Title I Grants, and ensure by reviewing and signing that all reimbursements and Final Reports are accurate prior to submission to the State IDOE. The Title I Director will review and approve the Reimbursements and Final Reports prior to requesting the Reimbursement of Federal Title I funds to ensure all reimbursements and Final Reports are accurate prior to submission to the State for Reimbursement.

Anticipated Completion Date: Immediately

JCSC JENNINGS COUNTY SCHOOL CORPORATION

34 W. Main St, North Vernon, Indiana 47265

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Special Test and Provisions Schoolwide Programs

Description of Corrective Action Plan:

Beginning July 1, 2018, the Title I Director will prepare and review the Title I Application. The Superintendent will then review and sign off that the application is adequately implementing policies and procedures for the Title I Schoolwide Program requirement.

In addition, beginning July 1, 2018, the Title I Director will prepare and review the Title I Application by incorporating ADM and poverty level information. The Superintendent will then review and sign off that the application is adequately implementing policies and procedures for the Title I Schoolwide Program requirement by checking ADM and poverty level information.

Anticipated Completion Date: Immediately

Special Test and Provisions Comparability

Description of Corrective Action Plan:

Beginning July 1, 2018, the Title I Director will prepare and review the Title I Comparability Reports. The Superintendent will then review and sign off that the Comparability Reports are adequately implementing policies and procedures for the Title I Comparability requirements.

Anticipated Completion Date: Immediately

Amber Fields
(Signature)

Treasurer
(Title)

December 20, 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/>.