

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

AUDIT REPORT

OF

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION

PERRY COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

01/07/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brenda Pund Sherry Knieriem	07-01-05 to 06-30-07 07-01-07 to 06-30-08
Superintendent of Schools	Mary Roberson	07-01-05 to 06-30-08
President of the School Board	Charles Etienne	07-01-05 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE PERRY CENTRAL COMMUNITY
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Central Community School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated November 13, 2007, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

November 13, 2007



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE PERRY CENTRAL COMMUNITY
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Central Community School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 13, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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 statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

November 13, 2007

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,814,841	\$ -	\$ 105,877	\$ (3,708,964)
Support services	5,829,659	470,976	173,043	(5,185,640)
Community services	179,290	-	-	(179,290)
Nonprogrammed charges	142,073	-	-	(142,073)
Debt service	653,435	-	-	(653,435)
	<u>\$ 10,619,298</u>	<u>\$ 470,976</u>	<u>\$ 278,920</u>	<u>(9,869,402)</u>
General receipts:				
Property taxes				3,301,495
Other local sources				658,972
State aid				5,332,268
Grants and contributions not restricted to specific programs				998,965
Sale of property, adjustments, and refunds				28,400
Investment earnings				55,354
				<u>10,375,454</u>
Total general receipts				10,375,454
Change in net assets				506,052
Net assets - beginning				<u>2,180,486</u>
Net assets - ending				<u>\$ 2,686,538</u>
<u>Assets</u>				
Cash and investments				\$ 2,455,494
Restricted assets:				
Cash and investments				<u>231,044</u>
Total assets				<u>\$ 2,686,538</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 231,044
Unrestricted				<u>2,455,494</u>
Total net assets				<u>\$ 2,686,538</u>

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,896,083	\$ -	\$ 99,220	\$ (3,796,863)
Support services	5,316,739	483,500	184,698	(4,648,541)
Community services	170,031	-	-	(170,031)
Nonprogrammed charges	145,931	-	-	(145,931)
Debt service	741,151	-	-	(741,151)
	<u>\$ 10,269,935</u>	<u>\$ 483,500</u>	<u>\$ 283,918</u>	<u>(9,502,517)</u>
General receipts:				
Property taxes				2,608,129
Other local sources				697,360
State aid				5,117,280
Grants and contributions not restricted to specific programs				595,731
Sale of property, adjustments, and refunds				2,698
Investment earnings				73,457
				<u>9,094,655</u>
Change in net assets				(407,862)
Net assets - beginning				<u>2,686,538</u>
Net assets - ending				<u>\$ 2,278,676</u>
<u>Assets</u>				
Cash and investments				\$ 2,325,765
Restricted assets:				
Cash and investments				<u>(47,089)</u>
Total assets				<u>\$ 2,278,676</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (47,089)
Unrestricted				<u>2,325,765</u>
Total net assets				<u>\$ 2,278,676</u>

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,851,831	\$ 560,178	\$ -	\$ 717,085	\$ 556,602	\$ 142,454	\$ 657,259	\$ 4,485,409
Intermediate sources	1,387	-	-	-	-	-	-	1,387
State sources	5,425,977	-	-	-	-	-	206,049	5,632,026
Federal sources	264,485	-	-	-	-	-	713,643	978,128
Sale of property, adjustments and refunds	785	453	-	-	26,500	-	662	28,400
Total receipts	7,544,465	560,631	-	717,085	583,102	142,454	1,577,613	11,125,350
Disbursements:								
Current:								
Instruction	3,434,824	-	-	-	-	-	380,017	3,814,841
Support services	3,338,623	680,930	-	-	633,412	192,235	984,459	5,829,659
Community services	33,270	-	-	-	-	-	146,020	179,290
Nonprogrammed charges	111,823	-	-	-	-	-	30,250	142,073
Debt services	-	-	-	550,544	-	-	102,891	653,435
Total disbursements	6,918,540	680,930	-	550,544	633,412	192,235	1,643,637	10,619,298
Excess (deficiency) of receipts over disbursements	625,925	(120,299)	-	166,541	(50,310)	(49,781)	(66,024)	506,052
Other financing sources (uses):								
Transfers in	-	77,302	100,000	-	-	-	119,082	296,384
Transfers out	(53,971)	(17,075)	-	(54,329)	(165,661)	(5,190)	(158)	(296,384)
Total other financing sources (uses)	(53,971)	60,227	100,000	(54,329)	(165,661)	(5,190)	118,924	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	571,954	(60,072)	100,000	112,212	(215,971)	(54,971)	52,900	506,052
Cash and investments - beginning	776,860	237,586	200,000	117,778	286,004	161,826	400,432	2,180,486
Cash and investments - ending	\$ 1,348,814	\$ 177,514	\$ 300,000	\$ 229,990	\$ 70,033	\$ 106,855	\$ 453,332	\$ 2,686,538
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,348,814	\$ 177,514	\$ 300,000	\$ -	\$ 70,033	\$ 106,855	\$ 452,278	\$ 2,455,494
Restricted assets:								
Cash and investments	-	-	-	229,990	-	-	1,054	231,044
Total cash and investment assets - ending	\$ 1,348,814	\$ 177,514	\$ 300,000	\$ 229,990	\$ 70,033	\$ 106,855	\$ 453,332	\$ 2,686,538
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 229,990	\$ -	\$ -	\$ 1,054	\$ 231,044
Unrestricted	1,348,814	177,514	300,000	-	70,033	106,855	452,278	2,455,494
Total cash and investment fund balance - ending	\$ 1,348,814	\$ 177,514	\$ 300,000	\$ 229,990	\$ 70,033	\$ 106,855	\$ 453,332	\$ 2,686,538

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,445,124	\$ 505,510	\$ -	\$ 412,484	\$ 649,848	\$ 136,986	\$ 709,279	\$ 3,859,231
Intermediate sources	1,000	-	-	-	-	-	-	1,000
State sources	5,217,760	-	-	-	-	-	208,425	5,426,185
Federal sources	64,043	-	-	-	-	-	508,916	572,959
Sale of property, adjustments and refunds	2,698	-	-	-	-	-	-	2,698
Total receipts	6,730,625	505,510	-	412,484	649,848	136,986	1,426,620	9,862,073
Disbursements:								
Current:								
Instruction	3,531,689	-	-	-	-	-	364,394	3,896,083
Support services	3,251,187	651,846	-	4,342	648,631	125,144	635,589	5,316,739
Community services	34,274	-	-	-	-	-	135,757	170,031
Nonprogrammed charges	117,721	-	-	-	-	-	28,210	145,931
Debt services	-	-	-	537,269	-	-	203,882	741,151
Total disbursements	6,934,871	651,846	-	541,611	648,631	125,144	1,367,832	10,269,935
Excess (deficiency) of receipts over disbursements	(204,246)	(146,336)	-	(129,127)	1,217	11,842	58,788	(407,862)
Other financing sources (uses):								
Transfers in	152,140	-	-	-	77,302	-	131,701	361,143
Transfers out	(55,523)	(20,099)	-	(100,595)	(19,585)	(5,811)	(159,530)	(361,143)
Total other financing sources (uses)	96,617	(20,099)	-	(100,595)	57,717	(5,811)	(27,829)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(107,629)	(166,435)	-	(229,722)	58,934	6,031	30,959	(407,862)
Cash and investments - beginning	1,348,814	177,514	300,000	229,990	70,033	106,855	453,332	2,686,538
Cash and investments - ending	\$ 1,241,185	\$ 11,079	\$ 300,000	\$ 268	\$ 128,967	\$ 112,886	\$ 484,291	\$ 2,278,676
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,241,185	\$ 11,079	\$ 300,000	\$ -	\$ 128,967	\$ 112,886	\$ 531,648	\$ 2,325,765
Restricted assets:								
Cash and investments	-	-	-	268	-	-	(47,357)	(47,089)
Total cash and investment assets - ending	\$ 1,241,185	\$ 11,079	\$ 300,000	\$ 268	\$ 128,967	\$ 112,886	\$ 484,291	\$ 2,278,676
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 268	\$ -	\$ -	\$ (47,357)	\$ (47,089)
Unrestricted	1,241,185	11,079	300,000	-	128,967	112,886	531,648	2,325,765
Total cash and investment fund balance - ending	\$ 1,241,185	\$ 11,079	\$ 300,000	\$ 268	\$ 128,967	\$ 112,886	\$ 484,291	\$ 2,278,676

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ 108,666	\$ 150,543	\$ -
Deductions:			
Benefits	227,053	-	-
Administrative and general	-	127,542	-
Total deductions	<u>227,053</u>	<u>127,542</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(118,387)	23,001	-
Cash and investment fund balance - beginning	<u>232,607</u>	<u>72,825</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 114,220</u>	<u>\$ 95,826</u>	<u>\$ -</u>
Net assets:			
Cash and investments	<u>\$ 114,220</u>	<u>\$ 95,826</u>	<u>\$ 43,954</u>

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ -	\$ 66,669	\$ -
Deductions:			
Benefits	94,188	-	-
Administrative and general	-	111,621	-
Total deductions	94,188	111,621	-
Deficiency of total additions under total deductions	(94,188)	(44,952)	-
Cash and investment fund balance - beginning	114,220	95,826	-
Cash and investment fund balance - ending	\$ 20,032	\$ 50,874	\$ -
Net assets:			
Cash and investments	\$ 20,032	\$ 50,874	\$ 30,648

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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 statements present the activities of the School Corporation (primary government). There are no significant component units which require inclusion.

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Dubois, Spencer and Perry County Schools in a joint venture to operate Exceptional Children's Cooperative which was created to provide joint employment and purchase of supplies and equipment for an exceptional children's program. The School Corporation is obligated by contract to remit a proportionate share monthly to supplement the Dubois, Spencer and Perry Counties Exceptional Children's Cooperative. Complete financial statements for the Service can be obtained from Greater Jasper Consolidated Schools, Attn: Joan Melsheimer (812-482-6661), 1520 St. Charles Street, Suite 1, Jasper, Indiana, 47546.

The School Corporation is a participant in the Patoka Valley Career and Technical Cooperative created to provide programs and services for vocational education. The School Corporation is obligated by contract to remit a proportionate share annually to supplement the Cooperative. Complete financial statements for the Patoka Valley Career and Technical Cooperative can be obtained from Patoka Valley Career and Technical Cooperative, Attn: Mr. Glenn Weil (812-482-7662) 1520 Saint Charles Street, Jasper, Indiana, 47546.

The School Corporation is a participant in the Southern Indiana Education Center created to allow the participating school corporations to cooperate and share certain programs and services which they collectively may implement. The School Corporation is obligated by contract to remit a proportionate share semiannually to supplement the Southern Indiana Education Center. Complete financial statements can be obtained from the Southern Indiana Education Center, Attn: J. Scott Turney (812-482-6641) 1102 Tree Lane Drive, Jasper, Indiana, 47546.

The School Corporation is a participant with Tell City–Troy Township School Corporation and Cannelton City School Corporation in a joint venture to operate the Perry County Alternative Education Cooperative which was created to provide alternative education services for eligible students whose legal settlement is within the participating corporations. The School Corporation is obligated by contract to remit a proportionate share monthly to supplement the Cooperative. Complete financial statement for the Perry County Alternative Education Cooperative can be obtained from Perry Central Community School Corporation, Leopold, Indiana, 47551.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets - Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The local rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the School Corporation.

Agency funds account for assets held by the School Corporation as an agent for the School Corporation employees and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds or internal service funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Compensated Absences

a. Sick Leave

Certified personnel are authorized 17 days of sick leave per school year. Noncertified personnel are authorized one day for each month of employment during the school year. Therefore, sick leave for noncertified employees ranges from 9 to 12 days per school year. These days are accumulated indefinitely for certified personnel and to a total of 200 days for noncertified personnel. Accumulated sick leave is paid to employees through cash payments upon termination, with at least 5 years of service.

b. Vacation Leave

Certified personnel (teachers) do not earn vacation leave because they are contracted for less than a full year. Most administrators are not on extended contracts. The Superintendent and the Administrative Assistant are the only administrators on a year-round contract. They are authorized 4 weeks of vacation leave during the year. Those noncertified personnel (custodial, secretarial) employed on a 12 month basis are authorized 5 days each school year for 1 to 3 years of service, 10 days each school year for 4 to 10 years of service, 15 days each school year for 11 to 19 years of service and 20 days each school year for 20 or more years of service. Noncertified personnel employed on a 10 ½ month basis are authorized 5 days each school year for 1 to 3 years of service and 10 days each school year for over 3 years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

Certified personnel are authorized 5 days of personal leave per school year. Noncertified personnel are authorized 3 days per school year. If unused, personal leave days will be added to sick leave days accumulated for both certified and noncertified employees.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets - Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets - Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets - Cash and Investment Basis.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government. However the School Corporation doesn't have any component units.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	June 30, 2006	June 30, 2007
P.L. 105-17 IDEA	\$ 73	\$ -
Tech Prep Career Majors	5,118	-
Stand Grant Point of Youth	-	518
US Forestry - Rickenbaugh	-	2,317
PC for Life - PE Grant	-	1,199
Improving Teacher Quality	-	4,680
Retirement Severance Bond	-	47,357

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements, the deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

Deposits and Investments

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2007, the School Corporation had no investments:

IV. Other Information

A. Risk Management

The School Corporation is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health, dental, vision and life insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 54 with at least 10 years of service. Currently, 14 retirees meet these eligibility requirements. The School Corporation provides all costs except \$1 per retiree of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$141,079 were recognized for postemployment benefits.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 55,063
Interest on net pension obligation	(4,057)
Adjustment to annual required contribution	4,623
Annual pension cost	55,629
Contributions made	50,184
Increase in net pension obligation	5,445
Net pension obligation, beginning of year	(55,953)
Net pension obligation, end of year	\$ (50,508)

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	8%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 37,552	150%	\$ (49,750)
	06-30-05	43,815	114%	(55,953)
	06-30-06	55,629	90%	(50,508)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

TRF 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:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$85,583, \$76,251, and \$70,649, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 905,038	\$ 1,085,181	\$ (180,143)	83%	\$ 627,979	(29%)
07-01-05	944,487	1,259,703	(315,216)	75%	615,666	(51%)
07-01-06	1,114,688	1,356,598	(241,910)	82%	641,715	(38%)

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006

	Preschool Special Ed.	School Lunch	Textbook Rental	Levy Excess	Preschool Grant	Alternative Education
Receipts:						
Local sources	\$ 4,453	\$ 381,739	\$ 89,236	\$ -	\$ 2,365	\$ 8,846
State sources	40,137	9,605	7,248	-	-	25,442
Federal sources	-	140,355	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>44,590</u>	<u>531,699</u>	<u>96,484</u>	<u>-</u>	<u>2,365</u>	<u>34,288</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	35,806
Support services	-	510,427	137,823	-	-	-
Community services	-	-	-	-	348	-
Nonprogrammed charges	30,250	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>30,250</u>	<u>510,427</u>	<u>137,823</u>	<u>-</u>	<u>348</u>	<u>35,806</u>
Excess (deficiency) of receipts over disbursements	<u>14,340</u>	<u>21,272</u>	<u>(41,339)</u>	<u>-</u>	<u>2,017</u>	<u>(1,518)</u>
Other financing sources (uses):						
Transfers in	-	-	-	119,082	-	-
Transfers out	(158)	-	-	-	-	-
Total other financing sources (uses)	<u>(158)</u>	<u>-</u>	<u>-</u>	<u>119,082</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>14,182</u>	<u>21,272</u>	<u>(41,339)</u>	<u>119,082</u>	<u>2,017</u>	<u>(1,518)</u>
Cash and investments - beginning	<u>2,057</u>	<u>91,201</u>	<u>161,475</u>	<u>-</u>	<u>-</u>	<u>6,710</u>
Cash and investments - ending	<u>\$ 16,239</u>	<u>\$ 112,473</u>	<u>\$ 120,136</u>	<u>\$ 119,082</u>	<u>\$ 2,017</u>	<u>\$ 5,192</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 16,239	\$ 112,473	\$ 120,136	\$ 119,082	\$ 2,017	\$ 5,192
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 16,239</u>	<u>\$ 112,473</u>	<u>\$ 120,136</u>	<u>\$ 119,082</u>	<u>\$ 2,017</u>	<u>\$ 5,192</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	16,239	112,473	120,136	119,082	2,017	5,192
Total cash and investment fund balance - ending	<u>\$ 16,239</u>	<u>\$ 112,473</u>	<u>\$ 120,136</u>	<u>\$ 119,082</u>	<u>\$ 2,017</u>	<u>\$ 5,192</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Safe School Haven	Early Intervention	Toyota Grant Evenstart	FFA REC Grant	Wal-Mart Literacy	Four Block Library
Receipts:						
Local sources	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ 1,080	\$ -
State sources	2,401	106,408	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>2,401</u>	<u>106,408</u>	<u>1,500</u>	<u>1,500</u>	<u>1,080</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	1,716	-	1,264	-	792	-
Support services	931	106,359	-	-	-	403
Community services	-	-	-	835	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>2,647</u>	<u>106,359</u>	<u>1,264</u>	<u>835</u>	<u>792</u>	<u>403</u>
Excess (deficiency) of receipts over disbursements	<u>(246)</u>	<u>49</u>	<u>236</u>	<u>665</u>	<u>288</u>	<u>(403)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(246)</u>	<u>49</u>	<u>236</u>	<u>665</u>	<u>288</u>	<u>(403)</u>
Cash and investments - beginning	<u>328</u>	<u>-</u>	<u>1,063</u>	<u>-</u>	<u>250</u>	<u>403</u>
Cash and investments - ending	<u>\$ 82</u>	<u>\$ 49</u>	<u>\$ 1,299</u>	<u>\$ 665</u>	<u>\$ 538</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 82	\$ 49	\$ 1,299	\$ 665	\$ 538	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 82</u>	<u>\$ 49</u>	<u>\$ 1,299</u>	<u>\$ 665</u>	<u>\$ 538</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	82	49	1,299	665	538	-
Total cash and investment fund balance - ending	<u>\$ 82</u>	<u>\$ 49</u>	<u>\$ 1,299</u>	<u>\$ 665</u>	<u>\$ 538</u>	<u>\$ -</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Student Activities	Special Tutoring	Economic Education	Learning Exchange	SINE Model School	Gifted and Talented 04/05
Receipts:						
Local sources	\$ 1,340	\$ -	\$ -	\$ -	\$ 12,350	\$ -
State sources	-	-	1,000	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>1,340</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>12,350</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	406	536	1,000	73	-	993
Support services	-	-	-	-	-	5
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>406</u>	<u>536</u>	<u>1,000</u>	<u>73</u>	<u>-</u>	<u>998</u>
Excess (deficiency) of receipts over disbursements	<u>934</u>	<u>(536)</u>	<u>-</u>	<u>(73)</u>	<u>12,350</u>	<u>(998)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	934	(536)	-	(73)	12,350	(998)
Cash and investments - beginning	<u>2,011</u>	<u>694</u>	<u>-</u>	<u>1,838</u>	<u>-</u>	<u>998</u>
Cash and investments - ending	<u>\$ 2,945</u>	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ 1,765</u>	<u>\$ 12,350</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,945	\$ 158	\$ -	\$ 1,765	\$ 12,350	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,945</u>	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ 1,765</u>	<u>\$ 12,350</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,945</u>	<u>158</u>	<u>-</u>	<u>1,765</u>	<u>12,350</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 2,945</u>	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ 1,765</u>	<u>\$ 12,350</u>	<u>\$ -</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Gifted and Talented 05/06	Perry County Substance Abuse 05/06	Medicaid Reimbursement	Youth Serve Bureau - After School Program	Regional Art Grant	Non English Speaking Students
Receipts:						
Local sources	\$ -	\$ 4,950	\$ -	\$ 14,100	\$ 23	\$ -
State sources	12,282	-	1,482	-	-	44
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	12,282	4,950	1,482	14,100	23	44
Disbursements:						
Current:						
Instruction	9,718	4,088	2,941	11,273	-	-
Support services	415	-	-	-	-	-
Community services	-	-	-	-	190	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	10,133	4,088	2,941	11,273	190	-
Excess (deficiency) of receipts over disbursements	2,149	862	(1,459)	2,827	(167)	44
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,149	862	(1,459)	2,827	(167)	44
Cash and investments - beginning	-	-	2,827	8,361	910	326
Cash and investments - ending	\$ 2,149	\$ 862	\$ 1,368	\$ 11,188	\$ 743	\$ 370
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,149	\$ 862	\$ 1,368	\$ 11,188	\$ 743	\$ 370
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,149	\$ 862	\$ 1,368	\$ 11,188	\$ 743	\$ 370
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,149	862	1,368	11,188	743	370
Total cash and investment fund balance - ending	\$ 2,149	\$ 862	\$ 1,368	\$ 11,188	\$ 743	\$ 370

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Technology Planning	Environ Telecomm	Title 1 6325-05	Title 1 #01-6325	Evenstart 2005-2006	Evenstart 2004-2005
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	98,084	-	155,126	-
Sale of property, adjustments and refunds	-	-	-	-	662	-
Total receipts	-	-	98,084	-	155,788	-
Disbursements:						
Current:						
Instruction	-	202	66,619	13,864	105,929	-
Support services	56,087	-	27,054	3,047	32,133	-
Community services	-	-	901	2	13,233	142
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	56,087	202	94,574	16,913	151,295	142
Excess (deficiency) of receipts over disbursements	(56,087)	(202)	3,510	(16,913)	4,493	(142)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(56,087)	(202)	3,510	(16,913)	4,493	(142)
Cash and investments - beginning	56,087	202	-	16,913	-	142
Cash and investments - ending	\$ -	\$ -	\$ 3,510	\$ -	\$ 4,493	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 3,510	\$ -	\$ 4,493	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 3,510	\$ -	\$ 4,493	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	3,510	-	4,493	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 3,510	\$ -	\$ 4,493	\$ -

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Title V Innovative	Title V Part A Innovative	Title V Part A Innovative #05-250	Serve America	P.L. 101-476 IDEA	P.L. 105-17 IDEA
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 24	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	2,061	3,478	10,000	40,953	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	2,061	3,478	10,024	40,953	-
Disbursements:						
Current:						
Instruction	-	-	-	-	16,254	16,039
Support services	759	5,273	-	10,830	9,335	4,396
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	759	5,273	-	10,830	25,589	20,435
Excess (deficiency) of receipts over disbursements	(759)	(3,212)	3,478	(806)	15,364	(20,435)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(759)	(3,212)	3,478	(806)	15,364	(20,435)
Cash and investments - beginning	759	3,300	-	2,550	-	20,362
Cash and investments - ending	\$ -	\$ 88	\$ 3,478	\$ 1,744	\$ 15,364	\$ (73)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 88	\$ 3,478	\$ 1,744	\$ 15,364	\$ (73)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 88	\$ 3,478	\$ 1,744	\$ 15,364	\$ (73)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	88	3,478	1,744	15,364	(73)
Total cash and investment fund balance - ending	\$ -	\$ 88	\$ 3,478	\$ 1,744	\$ 15,364	\$ (73)

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	P.L. 101-476 IDEA	Tech Prep Career Majors	Drug Free Schools Project #05-238	Title IV Part A Drug Free Schools	Medicaid Reimbursement
Receipts:					
Local sources	\$ 29,808	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	11,162	2,214	2,215	3,034
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>29,808</u>	<u>11,162</u>	<u>2,214</u>	<u>2,215</u>	<u>3,034</u>
Disbursements:					
Current:					
Instruction	13,963	12,985	-	861	4,844
Support services	12,429	3,295	-	-	3,231
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>26,392</u>	<u>16,280</u>	<u>-</u>	<u>861</u>	<u>8,075</u>
Excess (deficiency) of receipts over disbursements	<u>3,416</u>	<u>(5,118)</u>	<u>2,214</u>	<u>1,354</u>	<u>(5,041)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,416</u>	<u>(5,118)</u>	<u>2,214</u>	<u>1,354</u>	<u>(5,041)</u>
Cash and investments - beginning	-	-	-	861	7,312
Cash and investments - ending	<u>\$ 3,416</u>	<u>\$ (5,118)</u>	<u>\$ 2,214</u>	<u>\$ 2,215</u>	<u>\$ 2,271</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 3,416	\$ (5,118)	\$ 2,214	\$ 2,215	\$ 2,271
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,416</u>	<u>\$ (5,118)</u>	<u>\$ 2,214</u>	<u>\$ 2,215</u>	<u>\$ 2,271</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>3,416</u>	<u>(5,118)</u>	<u>2,214</u>	<u>2,215</u>	<u>2,271</u>
Total cash and investment fund balance - ending	<u>\$ 3,416</u>	<u>\$ (5,118)</u>	<u>\$ 2,214</u>	<u>\$ 2,215</u>	<u>\$ 2,271</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	PC For Life PE Grant	Improving Teacher Quality	Title II Part D Enhancing	Retirement Severance Bond	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 103,945	\$ 657,259
State sources	-	-	-	-	206,049
Federal sources	203,667	39,398	1,896	-	713,643
Sale of property, adjustments and refunds	-	-	-	-	662
Total receipts	<u>203,667</u>	<u>39,398</u>	<u>1,896</u>	<u>103,945</u>	<u>1,577,613</u>
Disbursements:					
Current:					
Instruction	13,605	44,246	-	-	380,017
Support services	57,920	-	2,307	-	984,459
Community services	130,369	-	-	-	146,020
Nonprogrammed charges	-	-	-	-	30,250
Debt services	-	-	-	102,891	102,891
Total disbursements	<u>201,894</u>	<u>44,246</u>	<u>2,307</u>	<u>102,891</u>	<u>1,643,637</u>
Excess (deficiency) of receipts over disbursements	<u>1,773</u>	<u>(4,848)</u>	<u>(411)</u>	<u>1,054</u>	<u>(66,024)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	119,082
Transfers out	-	-	-	-	(158)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,924</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,773</u>	<u>(4,848)</u>	<u>(411)</u>	<u>1,054</u>	<u>52,900</u>
Cash and investments - beginning	<u>(1,773)</u>	<u>8,948</u>	<u>3,317</u>	<u>-</u>	<u>400,432</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,100</u>	<u>\$ 2,906</u>	<u>\$ 1,054</u>	<u>\$ 453,332</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 4,100	\$ 2,906	\$ -	\$ 452,278
Restricted assets:					
Cash and investments	-	-	-	1,054	1,054
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 4,100</u>	<u>\$ 2,906</u>	<u>\$ 1,054</u>	<u>\$ 453,332</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 1,054	\$ 1,054
Unrestricted	-	4,100	2,906	-	452,278
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 4,100</u>	<u>\$ 2,906</u>	<u>\$ 1,054</u>	<u>\$ 453,332</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007

	Preschool Special Ed.	School Lunch	Textbook Rental	Levy Excess	Preschool Grant	Alternative Education	Safe School Haven
Receipts:							
Local sources	\$ 2,318	\$ 392,124	\$ 91,377	\$ -	\$ -	\$ 2,759	\$ -
State sources	27,240	132,321	6,829	-	-	17,241	-
Federal sources	-	26,704	-	-	-	-	-
Total receipts	29,558	551,149	98,206	-	-	20,000	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	23,294	82
Support services	-	469,017	47,770	-	-	-	-
Community services	-	-	-	-	1,974	-	-
Nonprogrammed charges	24,750	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	24,750	469,017	47,770	-	1,974	23,294	82
Excess (deficiency) of receipts over disbursements	4,808	82,132	50,436	-	(1,974)	(3,294)	(82)
Other financing sources (uses):							
Transfers in	-	-	-	131,701	-	-	-
Transfers out	(153)	-	-	(152,140)	-	-	-
Total other financing sources (uses)	(153)	-	-	(20,439)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,655	82,132	50,436	(20,439)	(1,974)	(3,294)	(82)
Cash and investments - beginning	16,239	112,473	120,136	119,082	2,017	5,192	82
Cash and investments - ending	\$ 20,894	\$ 194,605	\$ 170,572	\$ 98,643	\$ 43	\$ 1,898	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 20,894	\$ 194,605	\$ 170,572	\$ 98,643	\$ 43	\$ 1,898	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 20,894	\$ 194,605	\$ 170,572	\$ 98,643	\$ 43	\$ 1,898	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,894	194,605	170,572	98,643	43	1,898	-
Total cash and investment fund balance - ending	\$ 20,894	\$ 194,605	\$ 170,572	\$ 98,643	\$ 43	\$ 1,898	\$ -

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Early Intervention	Toyota Grant Evenstart	FFA REC Grant	Wal-Mart Literacy	Weyerhaeuser Grant 06-07	Student Activities	Special Tutoring
Receipts:							
Local sources	\$ -	\$ 1,500	\$ 510	\$ 500	\$ 3,000	\$ -	\$ -
State sources	8,083	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>8,083</u>	<u>1,500</u>	<u>510</u>	<u>500</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	6,070	1,337	-	744	-	430	-
Support services	373	-	-	-	3,000	-	-
Community services	-	-	763	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,245	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>6,443</u>	<u>1,337</u>	<u>763</u>	<u>744</u>	<u>3,000</u>	<u>1,675</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,640</u>	<u>163</u>	<u>(253)</u>	<u>(244)</u>	<u>-</u>	<u>(1,675)</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,640</u>	<u>163</u>	<u>(253)</u>	<u>(244)</u>	<u>-</u>	<u>(1,675)</u>	<u>-</u>
Cash and investments - beginning	<u>49</u>	<u>1,299</u>	<u>665</u>	<u>538</u>	<u>-</u>	<u>2,945</u>	<u>158</u>
Cash and investments - ending	<u>\$ 1,689</u>	<u>\$ 1,462</u>	<u>\$ 412</u>	<u>\$ 294</u>	<u>\$ -</u>	<u>\$ 1,270</u>	<u>\$ 158</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,689	\$ 1,462	\$ 412	\$ 294	\$ -	\$ 1,270	\$ 158
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,689</u>	<u>\$ 1,462</u>	<u>\$ 412</u>	<u>\$ 294</u>	<u>\$ -</u>	<u>\$ 1,270</u>	<u>\$ 158</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,689</u>	<u>1,462</u>	<u>412</u>	<u>294</u>	<u>-</u>	<u>1,270</u>	<u>158</u>
Total cash and investment fund balance - ending	<u>\$ 1,689</u>	<u>\$ 1,462</u>	<u>\$ 412</u>	<u>\$ 294</u>	<u>\$ -</u>	<u>\$ 1,270</u>	<u>\$ 158</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Economic Education	Learning Exchange	SINE Model School	Gifted and Talented 06/07	Gifted and Talented 05/06	Instruction Support Preschool
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,200
State sources	2,500	-	-	12,282	-	-
Federal sources	-	-	-	-	-	-
Total receipts	2,500	-	-	12,282	-	27,200
Disbursements:						
Current:						
Instruction	2,500	1,765	-	661	2,149	24,486
Support services	-	-	8,761	-	-	2,714
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,500	1,765	8,761	661	2,149	27,200
Excess (deficiency) of receipts over disbursements	-	(1,765)	(8,761)	11,621	(2,149)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,765)	(8,761)	11,621	(2,149)	-
Cash and investments - beginning	-	1,765	12,350	-	2,149	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,589</u>	<u>\$ 11,621</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 3,589	\$ 11,621	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,589</u>	<u>\$ 11,621</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	3,589	11,621	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,589</u>	<u>\$ 11,621</u>	<u>\$ -</u>	<u>\$ -</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Perry County Substance Abuse	Medicaid Reimbursement	Youth Serve Bureau - After School Program	Stand Grant Point of Youth	Regional Art Grant	Non English Speaking Students
Receipts:						
Local sources	\$ 5,000	\$ -	\$ 11,092	\$ -	\$ -	\$ -
State sources	-	1,929	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	5,000	1,929	11,092	-	-	-
Disbursements:						
Current:						
Instruction	5,862	3,297	17,613	-	-	173
Support services	-	-	-	-	-	-
Community services	-	-	-	518	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	5,862	3,297	17,613	518	-	173
Excess (deficiency) of receipts over disbursements	(862)	(1,368)	(6,521)	(518)	-	(173)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(862)	(1,368)	(6,521)	(518)	-	(173)
Cash and investments - beginning	862	1,368	11,188	-	743	370
Cash and investments - ending	\$ -	\$ -	\$ 4,667	\$ (518)	\$ 743	\$ 197
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 4,667	\$ (518)	\$ 743	\$ 197
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 4,667	\$ (518)	\$ 743	\$ 197
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	4,667	(518)	743	197
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 4,667	\$ (518)	\$ 743	\$ 197

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Title I 6325-05	Title I 6325-07	P.L. 103-382 ECIA Title I	Evenstart 2005-2006	Title VI #06-6325	Title V Part A Innovative
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	7,100	91,301	131,663	-	1,696	-
Total receipts	7,100	91,301	131,663	-	1,696	-
Disbursements:						
Current:						
Instruction	9,450	63,094	98,106	1,418	-	-
Support services	1,160	16,769	22,050	3,075	-	-
Community services	-	62	11,480	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	10,610	79,925	131,636	4,493	-	-
Excess (deficiency) of receipts over disbursements	(3,510)	11,376	27	(4,493)	1,696	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,510)	11,376	27	(4,493)	1,696	-
Cash and investments - beginning	3,510	-	-	4,493	-	88
Cash and investments - ending	<u>\$ -</u>	<u>\$ 11,376</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 1,696</u>	<u>\$ 88</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 11,376	\$ 27	\$ -	\$ 1,696	\$ 88
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 11,376</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 1,696</u>	<u>\$ 88</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	11,376	27	-	1,696	88
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 11,376</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 1,696</u>	<u>\$ 88</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Title V Part A Innovative #05-250	Youth Employment Training	US Forestry Department Rickenbaugh	Serve America	P.L. 101-476 IDEA	P.L. 105-17 IDEA
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73
State sources	-	-	-	-	-	-
Federal sources	-	20,353	4,914	10,000	-	-
Total receipts	-	20,353	4,914	10,000	-	73
Disbursements:						
Current:						
Instruction	-	11,439	-	-	8,778	-
Support services	3,478	3,333	-	543	6,586	-
Community services	-	-	7,231	6,604	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	3,478	14,772	7,231	7,147	15,364	-
Excess (deficiency) of receipts over disbursements	(3,478)	5,581	(2,317)	2,853	(15,364)	73
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,478)	5,581	(2,317)	2,853	(15,364)	73
Cash and investments - beginning	3,478	-	-	1,744	15,364	(73)
Cash and investments - ending	\$ -	\$ 5,581	\$ (2,317)	\$ 4,597	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 5,581	\$ (2,317)	\$ 4,597	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 5,581	\$ (2,317)	\$ 4,597	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,581	(2,317)	4,597	-	-
Total cash and investment fund balance - ending	\$ -	\$ 5,581	\$ (2,317)	\$ 4,597	\$ -	\$ -

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	P.L. 101-476 IDEA	Tech Prep Career Majors	Career Majors IND Workforce	Drug Free Schools 6325-06	Drug Free Schools Project #05-238	Title IV Part A Drug Free Schools
Receipts:						
Local sources	\$ 8,662	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	13,453	9,647	3,489	2,215	-
Total receipts	8,662	13,453	9,647	3,489	2,215	-
Disbursements:						
Current:						
Instruction	11,804	8,335	7,230	3,489	4,429	-
Support services	274	-	2,417	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,215
Debt services	-	-	-	-	-	-
Total disbursements	12,078	8,335	9,647	3,489	4,429	2,215
Excess (deficiency) of receipts over disbursements	(3,416)	5,118	-	-	(2,214)	(2,215)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,416)	5,118	-	-	(2,214)	(2,215)
Cash and investments - beginning	3,416	(5,118)	-	-	2,214	2,215
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Medicaid Reimbursement	PC For Life PE Grant	Improving Teacher Quality	Title II Part D Enhancing	Retirement Severance Bond	Totals
Receipts:						
Local sources	\$ 456	\$ -	\$ -	\$ -	\$ 162,708	\$ 709,279
State sources	-	-	-	-	-	208,425
Federal sources	3,391	147,769	35,221	-	-	508,916
Total receipts	3,847	147,769	35,221	-	162,708	1,426,620
Disbursements:						
Current:						
Instruction	2,358	-	44,001	-	-	364,394
Support services	1,826	41,843	-	600	-	635,589
Community services	-	107,125	-	-	-	135,757
Nonprogrammed charges	-	-	-	-	-	28,210
Debt services	-	-	-	-	203,882	203,882
Total disbursements	4,184	148,968	44,001	600	203,882	1,367,832
Excess (deficiency) of receipts over disbursements	(337)	(1,199)	(8,780)	(600)	(41,174)	58,788
Other financing sources (uses):						
Transfers in	-	-	-	-	-	131,701
Transfers out	-	-	-	-	(7,237)	(159,530)
Total other financing sources (uses)	-	-	-	-	(7,237)	(27,829)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(337)	(1,199)	(8,780)	(600)	(48,411)	30,959
Cash and investments - beginning	2,271	-	4,100	2,906	1,054	453,332
Cash and investments - ending	<u>\$ 1,934</u>	<u>\$ (1,199)</u>	<u>\$ (4,680)</u>	<u>\$ 2,306</u>	<u>\$ (47,357)</u>	<u>\$ 484,291</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,934	\$ (1,199)	\$ (4,680)	\$ 2,306	\$ -	\$ 531,648
Restricted assets:						
Cash and investments	-	-	-	-	(47,357)	(47,357)
Total cash and investment assets - ending	\$ 1,934	\$ (1,199)	\$ (4,680)	\$ 2,306	\$ (47,357)	\$ 484,291
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (47,357)	\$ (47,357)
Unrestricted	1,934	(1,199)	(4,680)	2,306	-	531,648
Total cash and investment fund balance - ending	\$ 1,934	\$ (1,199)	\$ (4,680)	\$ 2,306	\$ (47,357)	\$ 484,291

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended June 30, 2006

	Teacher Mini Grants - Alliance	Web Development Project	SINE - Prof Development	School Nurse	Poverty in Classroom	SINE Model School	Tobacco Prevention
Additions:							
Contributions:							
Other	\$ 5,405	\$ -	\$ -	\$ -	\$ -	\$ 2,250	\$ 9,398
Deductions:							
Administrative and general	4,296	193	122	6	4,000	3,484	4,202
Excess (deficiency) of total additions over total deductions	1,109	(193)	(122)	(6)	(4,000)	(1,234)	5,196
Cash and investment fund balance - beginning	-	193	122	6	4,000	1,563	(5,196)
Cash and Investments - June 30	<u>\$ 1,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329</u>	<u>\$ -</u>
Net assets:							
Cash and investments	<u>\$ 1,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329</u>	<u>\$ -</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	SINE Adult Literacy	High Education On Our Way	GED Testing	Continuing Ed. Evenstart	Model School SINE	Adult Education SINE
Additions:						
Contributions:						
Other	\$ 9,393	\$ 1,000	\$ 10,872	\$ 4,806	\$ -	\$ 4,998
Deductions:						
Administrative and general	177	950	14,033	2,096	1,770	4,998
Excess (deficiency) of total additions over total deductions	9,216	50	(3,161)	2,710	(1,770)	-
Cash and investment fund balance - beginning	(9,216)	950	8,518	1,600	1,770	-
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 5,357</u>	<u>\$ 4,310</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 5,357</u>	<u>\$ 4,310</u>	<u>\$ -</u>	<u>\$ -</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Lights On Program	Jasper Community Art	Literacy Celebration	Welborn Grant #3	Welborn Grant #4	Donation Fund
Additions:						
Contributions:						
Other	\$ -	\$ 1,077	\$ -	\$ -	\$ 80,000	\$ 9,531
Deductions:						
Administrative and general	4	1,073	3,245	41,821	22,836	10,289
Excess (deficiency) of total additions over total deductions	(4)	4	(3,245)	(41,821)	57,164	(758)
Cash and investment fund balance - beginning	4	-	3,245	41,821	-	4,047
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,164</u>	<u>\$ 3,289</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,164</u>	<u>\$ 3,289</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended June 30, 2006
 (Continued)

	Natural Helpers	Gear Up Program	After School Program	Parent Outreach Program	Indiana Next Leadership	Totals
Additions:						
Contributions:						
Other	\$ 162	\$ -	\$ 1,310	\$ 10,341	\$ -	\$ 150,543
Deductions:						
Administrative and general	162	173	2,074	2,845	2,693	127,542
Excess (deficiency) of total additions over total deductions	-	(173)	(764)	7,496	(2,693)	23,001
Cash and investment fund balance - beginning	-	173	6,207	10,325	2,693	72,825
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,443</u>	<u>\$ 17,821</u>	<u>\$ -</u>	<u>\$ 95,826</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,443</u>	<u>\$ 17,821</u>	<u>\$ -</u>	<u>\$ 95,826</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended June 30, 2007

	Teacher Mini Grants - Alliance	SINE Model School	High Education On Our Way	GED Testing	Continuing Ed. Evenstart	Adult Education SINE	Tobacco Prevention and Cessation
Additions:							
Contributions:							
Other	\$ 2,921	\$ -	\$ 1,100	\$ 12,241	\$ 3,470	\$ 5,374	\$ 3,623
Deductions:							
Administrative and general	3,208	329	160	11,616	4,658	5,374	3,609
Excess (deficiency) of total additions over total deductions	(287)	(329)	940	625	(1,188)	-	14
Cash and investment fund balance - beginning	1,109	329	1,000	5,357	4,310	-	-
Cash and Investments - June 30	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ 1,940</u>	<u>\$ 5,982</u>	<u>\$ 3,122</u>	<u>\$ -</u>	<u>\$ 14</u>
Net assets:							
Cash and investments	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ 1,940</u>	<u>\$ 5,982</u>	<u>\$ 3,122</u>	<u>\$ -</u>	<u>\$ 14</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Saucony Run For Good	Jasper Community Art	Welborn Grant #4	Donation Fund	After School Program	Parent Outreach Program	Totals
Additions:							
Contributions:							
Other	\$ 9,240	\$ -	\$ -	\$ 18,589	\$ 2,384	\$ 7,727	\$ 66,669
Deductions:							
Administrative and general	-	-	56,284	12,585	763	13,035	111,621
Excess (deficiency) of total additions over total deductions	9,240	-	(56,284)	6,004	1,621	(5,308)	(44,952)
Cash and investment fund balance - beginning	-	4	57,164	3,289	5,443	17,821	95,826
Cash and Investments - June 30	<u>\$ 9,240</u>	<u>\$ 4</u>	<u>\$ 880</u>	<u>\$ 9,293</u>	<u>\$ 7,064</u>	<u>\$ 12,513</u>	<u>\$ 50,874</u>
Net assets:							
Cash and investments	<u>\$ 9,240</u>	<u>\$ 4</u>	<u>\$ 880</u>	<u>\$ 9,293</u>	<u>\$ 7,064</u>	<u>\$ 12,513</u>	<u>\$ 50,874</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 82,000
Buildings	18,768,121
Improvements other than buildings	20,000
Machinery and equipment	197,524
Construction in progress	<u>1,452,960</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 20,520,605</u></u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Computers and Technology Equipment	\$ 199,844	\$ 71,813
Notes and loans payable	5,162,500	228,994
Bonds payable:		
General obligation bonds:		
Pension bonds	<u>2,310,000</u>	<u>126,771</u>
Total governmental activities debt	<u>\$ 7,672,344</u>	<u>\$ 427,578</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN FUND BALANCES

P.I. 105-17 IDEA, and Tech Prep Career Majors funds were overdrawn at June 30, 2006. Also, several funds including Stand Grant Point Youth, US Forestry – Rickenbaugh, PC for Life – PE Grant, Improving Teach Quality, and Retirement Severance Bond Funds were overdrawn at June 30, 2007.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE PERRY CENTRAL COMMUNITY
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

Compliance

We have audited the compliance of the Perry Central Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

November 13, 2007

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553		\$ 22,930	\$ 25,264
National School Lunch Program	10.555		139,231	158,514
Total for Cluster			162,161	183,778
Fruit and Vegetable Program	10.xxx		132,535	56,226
Total for Federal Grantor Agency			294,696	240,004
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant Impact Aid	84.041		264,485	64,043
Direct Grant Fund for the Improvement of Education Carol M. White Physical Education Program	84.215		232,592	140,504
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010			
FY 04/05		6325-05	16,914	-
FY 05/06		6325-06	94,573	10,610
FY 06/07		6325-07	-	79,925
Total for Program			111,487	90,535
Pass-Through Greater Jasper Consolidated Schools Special Education - Preschool Grants	84.173		51,981	27,441
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
FY 04/05			861	-
FY 05/06			-	4,429
FY 06/07			-	3,489
Total for Program			861	7,918
Even Start - State Educational Agencies	84.213			
FY 04/05			141	-
FY 05/06			151,295	4,493
FY 06/07			-	131,636
Total for Program			151,436	136,129
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243	TP 5-125	16,279	8,336
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
FY 04/05			759	-
FY 05/06			5,273	-
FY 06/07			-	3,478
Total for Program			6,032	3,478
Education Technology State Grants	84.318		2,307	600
Improving Teacher Quality State Grants	84.367		44,246	44,001
Total for Federal Grantor Agency			881,706	522,985
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004		10,830	7,147
Total Federal Awards Expended			\$ 1,187,232	\$ 770,136

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Perry Central Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
National School Lunch Program	10.555	\$ 33,702	\$ 34,653

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.041	Impact Aid
84.215	Fund for the Improvement of Education

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2007, with Sherry Knieriem, Treasurer. The official concurred with our audit findings.

Separate telephone exit conferences were held with Mary Roberson, Superintendent of Schools; Charles Etienne, President of the School Board; and School Board members Steven Poole, Earla Williams, Kevin Etienne, and Larry James.