

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

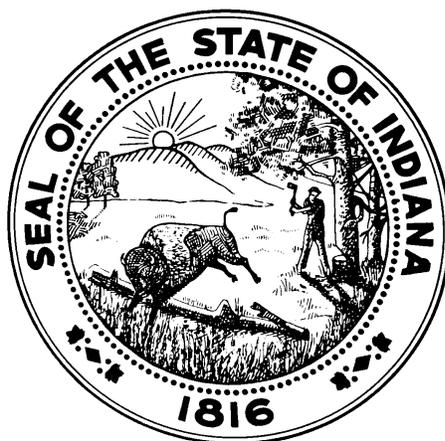
AUDIT REPORT

OF

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION

DELAWARE COUNTY, INDIANA

July 1, 2006 to June 30, 2008



**FILED**

06/15/2009



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Julie D. Wake	07-01-04 to 06-30-09
Superintendent of Schools	James L. Craig Brian Rausch	07-01-06 to 06-01-08 06-02-08 to 06-30-09
President of the School Board	Kevin Nemyer Keith Davis	07-01-06 to 06-30-08 07-01-08 to 06-30-09



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

TO: THE OFFICIALS OF THE LIBERTY-PERRY COMMUNITY  
SCHOOL CORPORATION, DELAWARE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Liberty-Perry Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, 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, 2007 and 2008, 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 April 27, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. 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.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 27, 2009



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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 LIBERTY-PERRY COMMUNITY  
SCHOOL CORPORATION, DELAWARE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Liberty-Perry Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 29, 2009. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2008-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, we believe that none of the significant deficiencies described above is a material weakness.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-1.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

April 27, 2009

LIBERTY-PERRY 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	\$ 5,312,029	\$ -	\$ 74,341	\$ (5,237,688)
Support services	3,726,230	268,563	157,273	(3,300,394)
Community services	78,932	-	-	(78,932)
Nonprogrammed charges	135,062	-	-	(135,062)
Debt service	816,601	-	-	(816,601)
	<u>\$ 10,068,854</u>	<u>\$ 268,563</u>	<u>\$ 231,614</u>	<u>(9,568,677)</u>
Total government				
General receipts:				
Property taxes				1,884,957
Other local sources				334,761
State aid				5,193,815
Grants and contributions not restricted to specific programs				565,917
Sale of property, adjustments, and refunds				72,386
Investment earnings				93,036
Total general receipts				<u>8,144,872</u>
Change in net assets				(1,423,805)
Net assets - beginning				<u>1,466,118</u>
Net assets - ending				<u>\$ 42,313</u>
<u>Assets</u>				
Cash and investments				\$ (61,981)
Restricted assets:				
Cash and investments				<u>104,294</u>
Total assets				<u>\$ 42,313</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 104,294
Unrestricted				<u>(61,981)</u>
Total net assets				<u>\$ 42,313</u>

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

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,337,230	\$ -	\$ 110,571	\$ (5,226,659)
Support services	4,055,797	285,913	173,704	(3,596,180)
Community services	82,054	-	-	(82,054)
Nonprogrammed charges	169,655	-	-	(169,655)
Debt service	1,479,184	-	-	(1,479,184)
Total government	\$ 11,123,920	\$ 285,913	\$ 284,275	(10,553,732)
General receipts:				
Property taxes				3,980,786
Other local sources				625,507
State aid				5,013,196
Bonds and loans				1,100,000
Grants and contributions not restricted to specific programs				512,278
Sale of property, adjustments, and refunds				29,474
Investment earnings				25,345
Total general receipts				11,286,586
Change in net assets				732,854
Net assets - beginning				42,313
Net assets - ending				\$ 775,167
<u>Assets</u>				
Cash and investments				\$ 633,364
Restricted assets:				
Cash and investments				141,803
Total assets				\$ 775,167
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 141,803
Unrestricted				633,364
Total net assets				\$ 775,167

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

LIBERTY-PERRY 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	Textbook Rental	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>									
Local sources	\$ 1,035,862	\$ 298,544	\$ -	\$ 65,329	\$ 386,271	\$ 260,545	\$ 112,686	\$ 449,982	\$ 2,609,219
Intermediate sources	98	-	-	-	-	-	-	-	98
State sources	5,225,859	-	-	11,636	-	-	-	56,912	5,294,407
Federal sources	-	-	-	-	-	-	-	668,939	668,939
Sale of property, adjustments and refunds	37,760	2,101	-	1,823	-	19,595	-	11,107	72,386
<b>Total receipts</b>	<b>6,299,579</b>	<b>300,645</b>	<b>-</b>	<b>78,788</b>	<b>386,271</b>	<b>280,140</b>	<b>112,686</b>	<b>1,186,940</b>	<b>8,645,049</b>
<b>Disbursements:</b>									
<b>Current:</b>									
Instruction	4,880,655	-	-	-	-	-	-	431,374	5,312,029
Support services	1,767,512	481,989	-	61,024	-	595,025	192,099	628,581	3,726,230
Community services	78,932	-	-	-	-	-	-	-	78,932
Nonprogrammed charges	135,062	-	-	-	-	-	-	-	135,062
Debt services	2	-	-	-	654,697	-	-	161,902	816,601
<b>Total disbursements</b>	<b>6,862,163</b>	<b>481,989</b>	<b>-</b>	<b>61,024</b>	<b>654,697</b>	<b>595,025</b>	<b>192,099</b>	<b>1,221,857</b>	<b>10,068,854</b>
Excess (deficiency) of receipts over disbursements	(562,584)	(181,344)	-	17,764	(268,426)	(314,885)	(79,413)	(34,917)	(1,423,805)
<b>Other financing sources (uses):</b>									
Transfers in	78,015	18,715	200,000	-	-	-	-	4,785	301,515
Transfers out	(200,000)	(78,015)	-	-	-	(8,040)	(15,460)	-	(301,515)
<b>Total other financing sources (uses)</b>	<b>(121,985)</b>	<b>(59,300)</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>(8,040)</b>	<b>(15,460)</b>	<b>4,785</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(684,569)	(240,644)	200,000	17,764	(268,426)	(322,925)	(94,873)	(30,132)	(1,423,805)
Cash and investments - beginning	297,097	285,582	65,000	70,849	346,071	43,321	151,083	207,115	1,466,118
Cash and investments - ending	<u>\$ (387,472)</u>	<u>\$ 44,938</u>	<u>\$ 265,000</u>	<u>\$ 88,613</u>	<u>\$ 77,645</u>	<u>\$ (279,604)</u>	<u>\$ 56,210</u>	<u>\$ 176,983</u>	<u>\$ 42,313</u>
<b>Cash and Investment Assets - Ending</b>									
Cash and investments	\$ (387,472)	\$ 44,938	\$ 265,000	\$ 88,613	\$ -	\$ (279,604)	\$ 56,210	\$ 150,334	\$ (61,981)
Restricted assets:									
Cash and investments	-	-	-	-	77,645	-	-	26,649	104,294
<b>Total cash and investment assets - ending</b>	<b><u>\$ (387,472)</u></b>	<b><u>\$ 44,938</u></b>	<b><u>\$ 265,000</u></b>	<b><u>\$ 88,613</u></b>	<b><u>\$ 77,645</u></b>	<b><u>\$ (279,604)</u></b>	<b><u>\$ 56,210</u></b>	<b><u>\$ 176,983</u></b>	<b><u>\$ 42,313</u></b>
<b>Cash and Investment Fund Balance - Ending</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 77,645	\$ -	\$ -	\$ 26,649	\$ 104,294
Unrestricted	(387,472)	44,938	265,000	88,613	-	(279,604)	56,210	150,334	(61,981)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (387,472)</u></b>	<b><u>\$ 44,938</u></b>	<b><u>\$ 265,000</u></b>	<b><u>\$ 88,613</u></b>	<b><u>\$ 77,645</u></b>	<b><u>\$ (279,604)</u></b>	<b><u>\$ 56,210</u></b>	<b><u>\$ 176,983</u></b>	<b><u>\$ 42,313</u></b>

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

LIBERTY-PERRY 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, 2008

	General	Transportation Operating	Local Rainy Day	Textbook Rental	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>									
Local sources	\$ 1,862,448	\$ 626,514	\$ -	\$ 61,635	\$ 696,461	\$ 807,434	\$ 271,165	\$ 592,459	\$ 4,918,116
State sources	5,093,343	-	-	17,983	-	-	-	71,444	5,182,770
Federal sources	-	-	-	-	-	-	-	626,979	626,979
Bonds and loans	1,100,000	-	-	-	-	-	-	-	1,100,000
Sale of property, adjustments and refunds	13,061	60	-	507	-	2,100	-	13,181	28,909
<b>Total receipts</b>	<b>8,068,852</b>	<b>626,574</b>	<b>-</b>	<b>80,125</b>	<b>696,461</b>	<b>809,534</b>	<b>271,165</b>	<b>1,304,063</b>	<b>11,856,774</b>
<b>Disbursements:</b>									
<b>Current:</b>									
Instruction	4,930,127	-	-	-	-	-	-	407,103	5,337,230
Support services	2,027,050	496,503	-	101,329	-	694,984	216,365	519,566	4,055,797
Community services	82,054	-	-	-	-	-	-	-	82,054
Nonprogrammed charges	169,655	-	-	-	-	-	-	-	169,655
Debt services	500,000	-	-	-	659,021	-	-	320,163	1,479,184
<b>Total disbursements</b>	<b>7,708,886</b>	<b>496,503</b>	<b>-</b>	<b>101,329</b>	<b>659,021</b>	<b>694,984</b>	<b>216,365</b>	<b>1,246,832</b>	<b>11,123,920</b>
Excess (deficiency) of receipts over disbursements	359,966	130,071	-	(21,204)	37,440	114,550	54,800	57,231	732,854
<b>Other financing sources (uses):</b>									
Transfers in	36,020	-	175,000	14,153	-	165,054	-	-	390,227
Transfers out	-	(75,000)	(201,074)	-	(14,153)	-	(100,000)	-	(390,227)
<b>Total other financing sources (uses)</b>	<b>36,020</b>	<b>(75,000)</b>	<b>(26,074)</b>	<b>14,153</b>	<b>(14,153)</b>	<b>165,054</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	395,986	55,071	(26,074)	(7,051)	23,287	279,604	(45,200)	57,231	732,854
Cash and investments - beginning	(387,472)	44,938	265,000	88,613	77,645	(279,604)	56,210	176,983	42,313
Cash and investments - ending	<u>\$ 8,514</u>	<u>\$ 100,009</u>	<u>\$ 238,926</u>	<u>\$ 81,562</u>	<u>\$ 100,932</u>	<u>\$ -</u>	<u>\$ 11,010</u>	<u>\$ 234,214</u>	<u>\$ 775,167</u>
<b>Cash and Investment Assets - Ending</b>									
Cash and investments	\$ 8,514	\$ 100,009	\$ 238,926	\$ 81,562	\$ -	\$ -	\$ 11,010	\$ 193,343	\$ 633,364
Restricted assets:									
Cash and investments	-	-	-	-	100,932	-	-	40,871	141,803
<b>Total cash and investment assets - ending</b>	<b>\$ 8,514</b>	<b>\$ 100,009</b>	<b>\$ 238,926</b>	<b>\$ 81,562</b>	<b>\$ 100,932</b>	<b>\$ -</b>	<b>\$ 11,010</b>	<b>\$ 234,214</b>	<b>\$ 775,167</b>
<b>Cash and Investment Fund Balance - Ending</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 100,932	\$ -	\$ -	\$ 40,871	\$ 141,803
Unrestricted	8,514	100,009	238,926	81,562	-	-	11,010	193,343	633,364
<b>Total cash and investment fund balance - ending</b>	<b>\$ 8,514</b>	<b>\$ 100,009</b>	<b>\$ 238,926</b>	<b>\$ 81,562</b>	<b>\$ 100,932</b>	<b>\$ -</b>	<b>\$ 11,010</b>	<b>\$ 234,214</b>	<b>\$ 775,167</b>

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

LIBERTY-PERRY 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 Funds	Agency Funds
Deductions:		
Benefits	\$ 230,662	
Deficiency of total additions over total deductions	(230,662)	
Cash and investment fund balance - beginning	1,084,043	
Cash and investment fund balance - ending	\$ 853,381	\$ 19,522
Net assets:		
Cash and investments	\$ 853,381	
Total net assets - cash and investment basis held in trust	\$ 853,381	

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

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Deductions:		
Benefits	\$ 219,329	
Deficiency of total additions over total deductions	(219,329)	
Cash and investment fund balance - beginning	853,381	
Cash and investment fund balance - ending	\$ 634,052	\$ 12,813
Net assets:		
Cash and investments	\$ 634,052	
Total net assets - cash and investment basis held in trust	\$ 634,052	

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

LIBERTY-PERRY 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Liberty-Perry Community School Corporation

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

Joint Ventures

The School Corporation is a participant with four other school corporations (Monroe Central, Randolph Central, Randolph Eastern, and Randolph Southern) in a joint venture to operate the Greater Randolph Interlocal Cooperative (GRIC), 325 S. Oak St., Suite L 103, Winchester, IN 47394, which was created to administer special education programs. The School Corporation is obligated by contract to remit annually an amount set by GRIC Board of Directors. The School Corporation's remittances in the 2007 and 2008 fiscal years were \$127,831 and \$127,443, respectively. This included Special Education Preschool billings. Complete financial statements for the Cooperative can be obtained from GRIC.

The School Corporation is a participant with several area schools in a joint venture to operate the Priority School which was created to provide educational services for at risk students. The Cooperative's continued existence depends on continued fund by the School Corporation. The School Corporation is obligated for the debts of the Cooperative. Complete financial statements for the Cooperative can be obtained from Muncie Community Schools, 2501 North Oakwood, Muncie, IN 47304.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The local rainy day fund accounts for surplus appropriations accumulated for future projects.

The textbook rental fund accounts for financial resources for the collection of textbook rental charges and the purchase of textbooks for children.

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance fund which accumulate resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for other governmental units and individuals.

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. Receipts are recorded when received and disbursements are recorded when paid.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 proprietary 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

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 become delinquent if not paid by May 10 and November 10, respectively. In 2008, property tax collections were delayed and only one distribution was made in December of 2008. 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.

3. 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.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Long-Term Debt

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

5. 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.
- 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.

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 and the similar discretely presented component unit 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.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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:

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 government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

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 July 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.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

B. Cash and Investment Balance Deficits

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

Fund	2007
General	\$ 465,487
Capital Projects	279,603

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the delay in the collection and distribution of property taxes.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. 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 School Corporation does not have a deposit policy for custodial credit risk.

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.

2. Investments

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
U.S. agencies	\$ 451,662

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
General Fund	Local Rainy Day	\$ 200,000	\$ -
Transportation Operating	General Fund	78,015	-
Local Rainy Day	General Fund	-	36,020
Transportation Operating	Local Rainy Day	-	75,000
Local Rainy Day	Transportation Operating	-	165,054
Capital Projects	Transportation Operating	3,256	-
School Bus Replacement	Transportation Operating	15,459	-
School Bus Replacement	Local Rainy Day	-	100,000
Capital Projects	Other governmental funds	4,785	-
Debt Service	Other governmental funds	-	14,153
Totals		<u>\$ 301,515</u>	<u>\$ 390,227</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

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; medical benefits to employees, retirees and dependents; 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; medical benefits to employees, retirees and dependents 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.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Medical Benefits to Employees, Retirees and Dependents

During 1996, the School Corporation joined with other governmental entities to form the Greater Randolph County School Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for seven member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical insurance. The School Corporation pays an annual premium to the risk pool for its medical benefits for employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured event. The risk pool obtains independent full coverage for insured events.

B. Holding Corporation

The School Corporation has entered into a capital lease with Liberty-Perry School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2007, and June 30, 2008, totaled \$654,697 and \$651,527.

C. Subsequent Events

On September 23, 2008, the Liberty-Perry School Board approved the issuance of \$800,000 of tax anticipation warrants.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment salary benefits to all certified employees who retired prior to June 30, 2004, or opted for the benefit prior to December 31, 2004, and postemployment health insurance benefits to all certified employees who retire from the School Corporation on or after attaining age 55 with at least 12 years of service, as authorized by Indiana Code 5-10-8. Currently, 7 retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits to certified personnel retired prior to 2002-2003. The School Corporation provides all postemployment benefits except \$450, paid annually by the retiree for health insurance, to certified personnel retiring after 2002-2003. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007 and 2008, disbursements of \$230,662 and \$218,447, respectively, were recognized for postemployment benefits.

E. Pension Plans

1. Agent Multiple-Employer and Single-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

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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	\$ 51,063
Interest on net pension obligation	(2,925)
Adjustment to annual required contribution	3,333
Annual pension cost	51,471
Contributions made	50,781
Increase in net pension obligation	690
Net pension obligation, beginning of year	(40,343)
Net pension obligation, end of year	\$ (39,653)

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF
Contribution rates:	
School Corporation	3.5%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions	PERF
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%

\*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 44,753	77%	\$ (65,895)
	06-30-07	62,610	59%	(40,343)
	06-30-08	51,471	99%	(39,653)

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

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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, 2008, 2007, and 2006, were \$187,504, \$166,851, and \$147,910, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

LIBERTY-PERRY 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)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 774,186	\$ 742,643	\$ 31,543	104%	\$ 1,006,031	3%
07-01-07	865,396	724,278	141,118	119%	929,640	15%
07-01-08	924,806	899,226	25,580	103%	932,601	3%

LIBERTY-PERRY 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

	Special Education Preschool	School Lunch	Levy Excess	School Safe Haven	Early Intervention	CAPE Grant
Receipts:						
Local sources	\$ 2,474	\$ 235,465	\$ -	\$ -	\$ -	\$ 28,000
State sources	36,150	6,465	-	-	-	-
Federal sources	-	150,808	-	-	-	-
Sale of property, adjustments and refunds	-	10,047	-	-	-	-
<b>Total receipts</b>	<b>38,624</b>	<b>402,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,000</b>
Disbursements:						
Current:						
Instruction	45,410	-	-	-	-	27,225
Support services	-	407,429	-	2,937	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>45,410</b>	<b>407,429</b>	<b>-</b>	<b>2,937</b>	<b>-</b>	<b>27,225</b>
Excess (deficiency) of receipts over disbursements	(6,786)	(4,644)	-	(2,937)	-	775
Other financing sources:						
Transfers in	62	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,724)	(4,644)	-	(2,937)	-	775
Cash and investments - beginning	22,891	13,844	51,327	2,417	51	(1,269)
Cash and investments - ending	<u>\$ 16,167</u>	<u>\$ 9,200</u>	<u>\$ 51,327</u>	<u>\$ (520)</u>	<u>\$ 51</u>	<u>\$ (494)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 16,167	\$ 9,200	\$ 51,327	\$ (520)	\$ 51	\$ (494)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 16,167</u></b>	<b><u>\$ 9,200</u></b>	<b><u>\$ 51,327</u></b>	<b><u>\$ (520)</u></b>	<b><u>\$ 51</u></b>	<b><u>\$ (494)</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	16,167	9,200	51,327	(520)	51	(494)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 16,167</u></b>	<b><u>\$ 9,200</u></b>	<b><u>\$ 51,327</u></b>	<b><u>\$ (520)</u></b>	<b><u>\$ 51</u></b>	<b><u>\$ (494)</u></b>

LIBERTY-PERRY 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)

	Gifted and Talented	Mentor Professional Standard Board	Medicare Reimbursement	Technology Grants	Technology Grants	Technology Based Awards
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	12,317	1,980	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>12,317</u>	<u>1,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	16,211	-	-	-	-	-
Support services	-	4,800	-	1,254	1,554	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>16,211</u>	<u>4,800</u>	<u>-</u>	<u>1,254</u>	<u>1,554</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,894)</u>	<u>(2,820)</u>	<u>-</u>	<u>(1,254)</u>	<u>(1,554)</u>	<u>-</u>
<b>Other financing sources:</b>						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,894)</u>	<u>(2,820)</u>	<u>-</u>	<u>(1,254)</u>	<u>(1,554)</u>	<u>-</u>
Cash and investments - beginning	<u>39,289</u>	<u>1,680</u>	<u>29</u>	<u>3,278</u>	<u>1,610</u>	<u>1,626</u>
Cash and investments - ending	<u>\$ 35,395</u>	<u>\$ (1,140)</u>	<u>\$ 29</u>	<u>\$ 2,024</u>	<u>\$ 56</u>	<u>\$ 1,626</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 35,395	\$ (1,140)	\$ 29	\$ 2,024	\$ 56	\$ 1,626
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 35,395</u>	<u>\$ (1,140)</u>	<u>\$ 29</u>	<u>\$ 2,024</u>	<u>\$ 56</u>	<u>\$ 1,626</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>35,395</u>	<u>(1,140)</u>	<u>29</u>	<u>2,024</u>	<u>56</u>	<u>1,626</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 35,395</u>	<u>\$ (1,140)</u>	<u>\$ 29</u>	<u>\$ 2,024</u>	<u>\$ 56</u>	<u>\$ 1,626</u>

LIBERTY-PERRY 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)

	Indiana Teacher's Grant	Library Median	Title 2006-07	Title I	Title VI	Title V 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	71,433	15,380	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>71,433</u>	<u>15,380</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	49,950	22,817	-	-
Support services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>49,950</u>	<u>22,817</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>21,483</u>	<u>(7,437)</u>	<u>-</u>	<u>-</u>
Other financing sources:						
Transfers in	<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>-</u>	<u>-</u>	<u>21,483</u>	<u>(7,437)</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>1</u>	<u>28</u>	<u>-</u>	<u>6,869</u>	<u>174</u>	<u>3,711</u>
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 28</u>	<u>\$ 21,483</u>	<u>\$ (568)</u>	<u>\$ 174</u>	<u>\$ 3,711</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1	\$ 28	\$ 21,483	\$ (568)	\$ 174	\$ 3,711
Restricted assets:						
Cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 1</u>	<u>\$ 28</u>	<u>\$ 21,483</u>	<u>\$ (568)</u>	<u>\$ 174</u>	<u>\$ 3,711</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1</u>	<u>28</u>	<u>21,483</u>	<u>(568)</u>	<u>174</u>	<u>3,711</u>
Total cash and investment fund balance - ending	<u>\$ 1</u>	<u>\$ 28</u>	<u>\$ 21,483</u>	<u>\$ (568)</u>	<u>\$ 174</u>	<u>\$ 3,711</u>

LIBERTY-PERRY 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 2006-07	Special Education Federal	Drug Free School	Drug Free Schools 2006-07	Title II	Tobacco Free Coalition
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	239,893	-	3,989	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>239,893</b>	<b>-</b>	<b>3,989</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	267,162	-	1,372	-	-
Support services	-	-	6,314	800	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>267,162</b>	<b>6,314</b>	<b>2,172</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	(27,269)	(6,314)	1,817	-	-
<b>Other financing sources:</b>						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(27,269)	(6,314)	1,817	-	-
Cash and investments - beginning	5,492	26,832	4,276	699	27	3,709
Cash and investments - ending	<u>\$ 5,492</u>	<u>\$ (437)</u>	<u>\$ (2,038)</u>	<u>\$ 2,516</u>	<u>\$ 27</u>	<u>\$ 3,709</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 5,492	\$ (437)	\$ (2,038)	\$ 2,516	\$ 27	\$ 3,709
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 5,492</u></b>	<b><u>\$ (437)</u></b>	<b><u>\$ (2,038)</u></b>	<b><u>\$ 2,516</u></b>	<b><u>\$ 27</u></b>	<b><u>\$ 3,709</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,492	(437)	(2,038)	2,516	27	3,709
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 5,492</u></b>	<b><u>\$ (437)</u></b>	<b><u>\$ (2,038)</u></b>	<b><u>\$ 2,516</u></b>	<b><u>\$ 27</u></b>	<b><u>\$ 3,709</u></b>

LIBERTY-PERRY 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)

	Medicare Reimbursement Federal	Title II Part A	Ed Tech Competitive Grant	Challenge Technology Grants	Retirement/ Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 184,043	\$ 449,982
State sources	-	-	-	-	-	56,912
Federal sources	-	64,602	122,834	-	-	668,939
Sale of property, adjustments and refunds	-	1,060	-	-	-	11,107
Total receipts	-	65,662	122,834	-	184,043	1,186,940
Disbursements:						
Current:						
Instruction	-	1,220	7	-	-	431,374
Support services	-	56,674	146,819	-	-	628,581
Debt services	-	-	-	-	161,902	161,902
Total disbursements	-	57,894	146,826	-	161,902	1,221,857
Excess (deficiency) of receipts over disbursements	-	7,768	(23,992)	-	22,141	(34,917)
Other financing sources:						
Transfers in	-	-	-	-	4,723	4,785
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,768	(23,992)	-	26,864	(30,132)
Cash and investments - beginning	47	(5,841)	24,471	62	(215)	207,115
Cash and investments - ending	\$ 47	\$ 1,927	\$ 479	\$ 62	\$ 26,649	\$ 176,983
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 47	\$ 1,927	\$ 479	\$ 62	\$ -	\$ 150,334
Restricted assets:						
Cash and investments	-	-	-	-	26,649	26,649
Total cash and investment assets - ending	\$ 47	\$ 1,927	\$ 479	\$ 62	\$ 26,649	\$ 176,983
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 26,649	\$ 26,649
Unrestricted	47	1,927	479	62	-	150,334
Total cash and investment fund balance - ending	\$ 47	\$ 1,927	\$ 479	\$ 62	\$ 26,649	\$ 176,983

LIBERTY-PERRY 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, 2008

	Special Education Preschool	School Lunch	Levy Excess	School Safe Haven	Early Intervention	CAPE Grant	Gifted and Talented
<b>Receipts:</b>							
Local sources	\$ 4,441	\$ 246,205	\$ -	\$ -	\$ -	\$ 565	\$ -
State sources	34,485	6,535	-	-	-	-	30,424
Federal sources	-	167,169	-	-	-	-	-
Sale of property, adjustments and refunds	-	3,252	-	684	-	-	-
<b>Total receipts</b>	<b>38,926</b>	<b>423,161</b>	<b>-</b>	<b>684</b>	<b>-</b>	<b>565</b>	<b>30,424</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	32,707	-	-	-	-	59	36,817
Support services	-	412,025	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>32,707</b>	<b>412,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>36,817</b>
Excess (deficiency) of receipts over disbursements	6,219	11,136	-	684	-	506	(6,393)
Cash and investments - beginning	16,167	9,200	51,327	(520)	51	(494)	35,395
Cash and investments - ending	<u>\$ 22,386</u>	<u>\$ 20,336</u>	<u>\$ 51,327</u>	<u>\$ 164</u>	<u>\$ 51</u>	<u>\$ 12</u>	<u>\$ 29,002</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 22,386	\$ 20,336	\$ 51,327	\$ 164	\$ 51	\$ 12	\$ 29,002
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 22,386</u></b>	<b><u>\$ 20,336</u></b>	<b><u>\$ 51,327</u></b>	<b><u>\$ 164</u></b>	<b><u>\$ 51</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 29,002</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,386	20,336	51,327	164	51	12	29,002
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 22,386</u></b>	<b><u>\$ 20,336</u></b>	<b><u>\$ 51,327</u></b>	<b><u>\$ 164</u></b>	<b><u>\$ 51</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 29,002</u></b>

LIBERTY-PERRY 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, 2008  
 (Continued)

	Mentor Professional Standard Board	Medicare Reimbursement	Technology Grants	Technology Grants	Technology Based Awards	Indiana Teacher's Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	1,140	-	-	-	-	-
<b>Total receipts</b>	<b>1,140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	2,024	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>2,024</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	1,140	-	(2,024)	-	-	-
Cash and investments - beginning	(1,140)	29	2,024	56	1,626	1
Cash and investments - ending	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 1,626</u>	<u>\$ 1</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 29	\$ -	\$ 56	\$ 1,626	\$ 1
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ 29</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 56</u></b>	<b><u>\$ 1,626</u></b>	<b><u>\$ 1</u></b>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	29	-	56	1,626	1
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ 29</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 56</u></b>	<b><u>\$ 1,626</u></b>	<b><u>\$ 1</u></b>

LIBERTY-PERRY 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, 2008  
 (Continued)

	Library Median	Title I 2006-07	Title I	Title VI	Title V 2005-06	Title V 2006-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	88,223	-	1,813	-
Sale of property, adjustments and refunds	-	105	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>105</b>	<b>88,223</b>	<b>-</b>	<b>1,813</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	21,483	66,841	-	-	-
Support services	-	-	-	-	3,711	5,307
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>21,483</b>	<b>66,841</b>	<b>-</b>	<b>3,711</b>	<b>5,307</b>
Excess (deficiency) of receipts over disbursements	-	(21,378)	21,382	-	(1,898)	(5,307)
Cash and investments - beginning	28	21,483	(568)	174	3,711	5,492
Cash and investments - ending	<u>\$ 28</u>	<u>\$ 105</u>	<u>\$ 20,814</u>	<u>\$ 174</u>	<u>\$ 1,813</u>	<u>\$ 185</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 28	\$ 105	\$ 20,814	\$ 174	\$ 1,813	\$ 185
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 28</u>	<u>\$ 105</u>	<u>\$ 20,814</u>	<u>\$ 174</u>	<u>\$ 1,813</u>	<u>\$ 185</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	28	105	20,814	174	1,813	185
<b>Total cash and investment fund balance - ending</b>	<u>\$ 28</u>	<u>\$ 105</u>	<u>\$ 20,814</u>	<u>\$ 174</u>	<u>\$ 1,813</u>	<u>\$ 185</u>

LIBERTY-PERRY 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, 2008  
 (Continued)

	Title V 2007-08	Special Education Federal	Drug Free School	Drug Free Schools 2006-07	Title II	Tobacco Free Coalition
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	1,862	244,303	4,097	2,500	-	-
Sale of property, adjustments and refunds	-	-	2,343	-	-	-
<b>Total receipts</b>	<u>1,862</u>	<u>244,303</u>	<u>6,440</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	243,958	-	3,584	-	1,500
Support services	-	-	1,225	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>243,958</u>	<u>1,225</u>	<u>3,584</u>	<u>-</u>	<u>1,500</u>
Excess (deficiency) of receipts over disbursements	1,862	345	5,215	(1,084)	-	(1,500)
Cash and investments - beginning	-	(437)	(2,038)	2,516	27	3,709
Cash and investments - ending	<u>\$ 1,862</u>	<u>\$ (92)</u>	<u>\$ 3,177</u>	<u>\$ 1,432</u>	<u>\$ 27</u>	<u>\$ 2,209</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,862	\$ (92)	\$ 3,177	\$ 1,432	\$ 27	\$ 2,209
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,862</u>	<u>\$ (92)</u>	<u>\$ 3,177</u>	<u>\$ 1,432</u>	<u>\$ 27</u>	<u>\$ 2,209</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,862</u>	<u>(92)</u>	<u>3,177</u>	<u>1,432</u>	<u>27</u>	<u>2,209</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,862</u>	<u>\$ (92)</u>	<u>\$ 3,177</u>	<u>\$ 1,432</u>	<u>\$ 27</u>	<u>\$ 2,209</u>

LIBERTY-PERRY 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, 2008  
 (Continued)

	Medicare Reimbursement Federal	Title II Part A	Ed Tech Competitive Grant	Challenge Technology Grants	Retirement/ Severance Bond	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ 1,525	\$ 5,338	\$ -	\$ 334,385	\$ 592,459
State sources	-	-	-	-	-	71,444
Federal sources	-	40,012	77,000	-	-	626,979
Sale of property, adjustments and refunds	-	5,657	-	-	-	13,181
<b>Total receipts</b>	<b>-</b>	<b>47,194</b>	<b>82,338</b>	<b>-</b>	<b>334,385</b>	<b>1,304,063</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	154	-	-	-	407,103
Support services	-	37,266	58,008	-	-	519,566
Debt services	-	-	-	-	320,163	320,163
<b>Total disbursements</b>	<b>-</b>	<b>37,420</b>	<b>58,008</b>	<b>-</b>	<b>320,163</b>	<b>1,246,832</b>
Excess (deficiency) of receipts over disbursements	-	9,774	24,330	-	14,222	57,231
Cash and investments - beginning	47	1,927	479	62	26,649	176,983
Cash and investments - ending	<u>\$ 47</u>	<u>\$ 11,701</u>	<u>\$ 24,809</u>	<u>\$ 62</u>	<u>\$ 40,871</u>	<u>\$ 234,214</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 47	\$ 11,701	\$ 24,809	\$ 62	\$ -	\$ 193,343
Restricted assets:						
Cash and investments	-	-	-	-	40,871	40,871
<b>Total cash and investment assets - ending</b>	<b>\$ 47</b>	<b>\$ 11,701</b>	<b>\$ 24,809</b>	<b>\$ 62</b>	<b>\$ 40,871</b>	<b>\$ 234,214</b>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 40,871	\$ 40,871
Unrestricted	47	11,701	24,809	62	-	193,343
<b>Total cash and investment fund balance - ending</b>	<b>\$ 47</b>	<b>\$ 11,701</b>	<b>\$ 24,809</b>	<b>\$ 62</b>	<b>\$ 40,871</b>	<b>\$ 234,214</b>

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007

	<u>Clearing Extra-Curricular</u>	<u>Textbook Rental Clearing</u>	<u>Cafeteria Reimbursements</u>	<u>Payroll Withholdings</u>	<u>Totals</u>
Cash and investments fund balance - ending	\$ 5,269	\$ 263	\$ 287	\$ 13,703	\$ 19,522

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2008

	Textbook Rental Clearing	Cafeteria Reimbursements	Payroll Withholdings	Totals
Cash and investments fund balance - ending	\$ 720	\$ (1,248)	\$ 13,341	\$ 12,813

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental Activities:</b>		
Capital leases:		
Selma Elementary	\$ 1,525,000	\$ 652,157
Bonds payable:		
General obligation bonds:		
Pension	<u>3,340,000</u>	<u>319,995</u>
<b>Total governmental activities debt</b>	<u><u>\$ 4,865,000</u></u>	<u><u>\$ 972,152</u></u>

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) Record balances were not properly reconciled to depository balances.
- (2) There were a considerable number of posting errors. These errors included deposits not receipted, receipts not recorded in the proper amounts, interest and bank fees not posted timely, direct deposits of state distributions not posted timely, nonsufficient funds checks incorrectly posted, and errors in posting the corporation's share of payroll expenses.
- (3) Some transactions were recorded as "negative" receipts and disbursements.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balances of the General Fund and the Capital Projects Fund was overdrawn in 2007 and 2008 by \$387,472 and \$279,604, respectively.

The cash 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)

INTERNAL CONTROLS - ERROR CORRECTIONS

The controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. Error corrections were not dated when performed, but the original date trying to correct. The date was sometimes months earlier than the date the correction was actually done causing difficulties to determine disbursements for any month.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

RAINY DAY FUND

A transfer of \$200,000 was made from the General Fund to the Rainy Day Fund at December 31, 2006. The cash balance of the General Fund at June 30, 2007, was (\$387,472). Unused appropriations less encumbrances at December 31, 2006, totaled \$0.

IC 36-1-8-5.1 states in part: "An ordinance or resolution adopted under this section must specify the following: (1) The purposes of the rainy day fund. (2) The sources of funding for the rainy day fund, which may include the following: (A) Unused and unencumbered funds under: (i) section 5 of this chapter; (ii) IC 6-3.5-1.1-21.1; (iii) IC 6-3.5-6-17.3; or (iv) IC 6-3.5-7-17.3."

The cash 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)

TRANSFERS

Transfers were made, in 2007-2008, from the transportation operating fund and the school bus replacement fund to the rainy day fund and from the rainy day fund to the general fund and the capital projects fund. No Board approval could be found for these transfers.

IC 36-1-8-5 states in part:

"(a) This section applies to all funds raised by a general or special tax levy on all the taxable property of a political subdivision.

(b) Whenever the purposes of a tax levy have been fulfilled and an unused and unencumbered balance remains in the fund, the fiscal body of the political subdivision shall order the balance of that fund to be transferred as follows, unless a statute provides that it be transferred otherwise:

- (1) Funds of a county, to the general fund or rainy day fund of the county, as provided in section 5.1 of this chapter.
- (2) Funds of a municipality, to the general fund or rainy day fund of the municipality, as provided in section 5.1 of this chapter.
- (3) Funds of a township for redemption of township assistance obligations, to the township assistance fund of the township or rainy day fund of the township, as provided in section 5.1 of this chapter.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (4) Funds of any other political subdivision, to the general fund or rainy day fund of the political subdivision, as provided in section 5.1 of this chapter. However, if the political subdivision is dissolved or does not have a general fund or rainy day fund, then to the general fund of each of the units located in the political subdivision in the same proportion that the assessed valuation of the unit bears to the total assessed valuation of the political subdivision."

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSPORTATION FUND - RECORD OF HOURS WORKED

Twenty-five percent of the salary of the Superintendent is paid from the Transportation Fund. No auditable statistics to justify that salary percentage were presented for audit. A similar comment appeared in prior Reports B24453 and B29924.

IC 5-11-9-4 requires in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

Some positions have been formally established by boards of school trustees, through job description, duties assigned, title, salary schedules, etc., as transportation related (for example, Assistant Superintendent-Transportation Director). We will not take audit exception, in these situations (other than positions excluded by statute), to direct transportation related employees having direct transportation related expenses being paid from the transportation fund if a cost allocation system based upon auditable statistics is established tracking costs attributable to the transportation program and therefore payable from the transportation fund. The use of time cards, time logs, or other means of accumulating auditable statistics upon which to base costs would have to be maintained. The time spent on such programs by persons serving in more than one program area must be specific if costs are to be separated. These costs cannot be accurately maintained on a percentage basis and requires the use of one of the methods mentioned above to provide auditable statistics and should cover all program areas in which a person serves or for which the service, materials, supplies, etc., are provided. (The School Administrator and Uniform Compliance Guidelines, Volume 157)

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets. Capital asset records have not been updated since 1999. A similar comment appeared in prior Reports B24453 and B29924.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

DISBURSEMENT DOCUMENTATION AND COLLECTION OF AMOUNTS DUE

Several payments were observed which did not contain adequate supporting documentation such as the detailed method of calculating services performed. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established. Liberty-Perry Community School Corporation overpaid the Greater Randolph Interlocal Cooperative for programs and services to exceptional children as follows:

	<u>Calculated Annual Installment Due</u>	<u>Amount Installment Billed by Greater Randolph Interlocal Cooperative</u>	<u>Amount Overpaid and Due Liberty-Perry Community School Corporation</u>
FY 2005-2006	\$ 76,728	\$ 76,977	\$ 249
FY 2006-2007	149,721	150,105	384
Totals	<u>\$ 226,449</u>	<u>\$ 227,082</u>	<u>\$ 633</u>

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Controls over the disbursing and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSFER TUITION

Some students, including children of employees, who do not live in the School Corporation District are being educated by the School Corporation either have not paid or have been reimbursed for tuition. The amounts paid for transfer tuition did not agree to the formula established by IC 20-26-11-6.

IC 20-26-11-6 states in part:

"(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter."

"(b) A transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established . . ."

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF PRINCIPALS SIGNATURES

Records presented for audit to support the ADM claimed by the School Corporation were not signed by the building principals.

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

CONDITION OF RECORDS - TEXTBOOK RENTAL FUND

The financial information reported to the Indiana Department of Education (Form 9) did not accurately reflect the activity of the Textbook Rental Fund. Textbook Rental funds are maintained as an extra-curricular account at each school building and then combined for reporting on Form 9. Differences were found in the beginning balances as well as audit period receipts and disbursements. Additionally, reporting was done on a school year basis which ended on various dates rather than June 30th, the date of the School Corporation's financial statements. A similar comment appeared in prior Reports B24453 and B29924.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

DEPOSITS (Applies to Perry Elementary)

Receipts were held for periods as long as 18 days and accumulated to \$4,332.54 prior to deposit. A similar comment was in prior Report B29924.

IC 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

RECEIPTS (Applies to Perry Elementary)

Some receipts were written for amounts which could not be verified to bank deposits. Check and cash amounts were not specified on the receipts written. A similar comment was in prior Report B29924.

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

TEXTBOOK RENTAL RECEIPTS (Applies to Selma Elementary)

Textbook rental receipts in numerous instances were deposited later than the next business day.

Some receipts were written for amounts which could not be verified to bank deposits. Check and cash amounts were not properly identified on the receipts written. Receipts were not always issued.

IC 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or check is received, a receipt is to be immediately prepared and given to the person making payment. (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  
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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 LIBERTY-PERRY COMMUNITY  
SCHOOL CORPORATION, DELAWARE COUNTY, INDIANA

Compliance

We have audited the compliance of the Liberty-Perry 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, 2007 and 2008. 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 non-compliance 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, 2007 and 2008.

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

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)

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.

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

April 27, 2009

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553			
		FY 2006-2007	\$ 26,724	\$ -
		FY 2007-2008	-	27,542
			<u>26,724</u>	<u>27,542</u>
Total for program			<u>26,724</u>	<u>27,542</u>
School Lunch Program				
	10.555			
		FY 2006-2007	148,197	-
		FY 2007-2008	-	134,130
			<u>148,197</u>	<u>134,130</u>
Total for program			<u>148,197</u>	<u>134,130</u>
Total for federal grantor agency			<u>174,921</u>	<u>161,672</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Greater Randolph Interlocal Cooperative				
Special Education Cluster				
Special Education - Grants to States				
	84.027			
		FY 2006-2007	247,557	13,402
		FY 2007-2008	-	238,390
			<u>247,557</u>	<u>251,792</u>
Total for program			<u>247,557</u>	<u>251,792</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
	84.010			
		06-1895	12,948	-
		07-1895	59,392	13,715
		08-1895	1,424	73,599
			<u>73,764</u>	<u>87,314</u>
Total for program			<u>73,764</u>	<u>87,314</u>
Safe and Drug Free Schools and Communities - State Grants				
	84.186			
		03-244	699	-
		04-342	4,276	-
		2006-2007	3,512	477
			<u>8,487</u>	<u>477</u>
Total for program			<u>8,487</u>	<u>477</u>
Innovative Education Program Strategies				
	84.298			
		02-230	3,711	-
		04-297	5,307	-
			<u>9,018</u>	<u>-</u>
Total for program			<u>9,018</u>	<u>-</u>
Education Technology State Grants				
	84.318			
		SY 05-06	24,471	-
		SY 06-07	122,931	11,503
		SY 07-08	-	41,877
			<u>147,402</u>	<u>53,380</u>
Total for program			<u>147,402</u>	<u>53,380</u>
Improving Teacher Quality State Grants				
	84.367			
		05-261	26,378	-
		06-1895	28,304	6,444
		07-1895	-	23,977
			<u>54,682</u>	<u>30,421</u>
Total for program			<u>54,682</u>	<u>30,421</u>
Total for federal grantor agency			<u>540,910</u>	<u>423,384</u>
Total federal awards expended			<u>\$ 715,831</u>	<u>\$ 585,056</u>

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

LIBERTY-PERRY 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 Liberty-Perry 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, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
School Breakfast Program	10.553	\$ 4,971	\$ 4,893
School Lunch Program	10.555	17,576	31,311

LIBERTY-PERRY 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
Significant deficiencies identified that are not considered to be material weaknesses?	yes
Noncompliance material to financial statements noted?	yes

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies 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
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.027	Child Nutrition Cluster Special Education – Grants to States

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

Auditee qualified as low-risk auditee?	no
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LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section II - Financial Statement Findings

FINDING 2008-1, ERROR CORRECTIONS

Error corrections were dated on the date of the original entry and not the date the corrections was made.

The process could result in unallowable changes being made to reconciled transactions.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We recommended that all error corrections be dated properly.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



# **LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION**

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April 27, 2009  
State Board of Accounts  
Stan Mettler  
302 W. Washington Street  
Indianapolis, IN 46204-2765

To Whom It May Concern:

As the treasurer of Liberty Perry Community Schools I will take the following corrective action in regards to date on corrections. I will date them the date the correction is made.

Sincerely,

Julie Wake  
Treasurer  
Liberty Perry Community Schools

LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2009, with Julie D. Wake, Treasurer; Keith Davis, President of the School Board; and Brian Rausch, Superintendent of Schools. The officials concurred with our audit findings.