

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BENTON COMMUNITY SCHOOL CORPORATION
BENTON COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
02/18/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tracy Albertson	07-01-11 to 06-30-14
Superintendent of Schools	William Glentzer	07-01-11 to 07-31-11
	Destin Haas	08-01-11 to 10-25-13
	Position Vacant	10-26-13 to 10-28-13
	Gregg H. Hoover (Interim)	10-29-13 to 06-30-14
President of the School Board	Tammy Muthig	07-01-11 to 06-30-13
	Michael Souligne	07-01-13 to 06-30-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE BENTON COMMUNITY SCHOOL
CORPORATION, BENTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Benton Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 14, 2014, 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 integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

January 14, 2014



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

TO: THE OFFICIALS OF THE BENTON COMMUNITY SCHOOL
CORPORATION, BENTON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Benton Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated January 14, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-1 and 2013-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

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

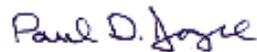
effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-2.

Benton Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

January 14, 2014

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

BENTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-11	Receipts	Disbursements	Sources (Uses)	06-30-12	Receipts	Disbursements	Sources (Uses)	06-30-13	
General	\$ 762,020	\$ 12,528,499	\$ 11,642,874	\$ -	\$ 1,647,645	\$ 12,802,147	\$ 11,974,066	\$ 10,156	\$ 2,485,882	
Debt Service	36,034	3,295,192	2,228,000	-	1,103,226	2,612,579	2,229,000	(16,730)	1,470,075	
Retirement/Severance Bond Debt Service	95,469	240,360	256,164	-	79,665	204,819	253,061	-	31,423	
Capital Projects	1,012,804	1,907,502	1,963,111	-	957,195	1,911,781	2,260,125	-	608,851	
School Transportation	856,420	1,811,528	1,647,649	(300,000)	720,299	1,642,281	1,738,704	-	623,876	
School Bus Replacement	382,797	278,036	-	-	660,833	457,936	436,170	-	682,599	
Rainy Day	5,537,126	-	445,011	300,000	5,392,115	-	82,086	-	5,310,029	
Retirement/Severance Bond	400,930	431	24,694	-	376,667	322	36,857	-	340,132	
Reconstruction Fund	(3,955)	27,429	18,668	-	4,806	-	-	-	4,806	
Construction - High School	6,210	-	2,194	-	4,016	-	3,377	-	639	
School Lunch	401,463	948,198	862,639	-	487,022	895,835	872,900	-	509,957	
Textbook Rental	233,851	221,264	222,379	-	232,736	212,376	112,990	-	332,122	
Levy Excess	-	-	-	-	-	-	-	-	-	
Perkins Vocational 2008-09	13	-	13	-	-	-	-	-	-	
Perkins Grant 2009-10	-	-	-	-	-	-	-	-	-	
Perkins Grant 2010-11	(7,006)	8,149	1,072	-	71	-	70	-	1	
Perkins Grant 2011-12	-	22,594	22,547	-	47	-	47	-	-	
Perkins Grant 2012-13	-	-	-	-	-	23,111	22,996	-	115	
Artist in Residence Grant 2010-11	(749)	788	38	-	1	-	-	-	1	
Artist in Residence Grant 2011-12	-	1,875	2,461	-	(586)	625	39	-	-	
Artist in Residence Grant 2012-13	-	-	-	-	-	1,875	2,377	-	(502)	
Educational License Plates	12,908	488	-	-	13,396	563	-	-	13,959	
Safe Haven Grant	-	-	-	-	-	-	-	-	-	
Safe Haven Grant 2010-11	-	-	-	-	-	-	-	-	-	
Safe Haven Grant 2011-12	-	15,000	15,000	-	-	-	-	-	-	
Early Intervention Grant	-	36,161	34,417	-	1,744	-	-	-	1,744	
Safe Haven Grant 2012-13	-	-	-	-	-	5,750	11,500	-	(5,750)	
Reading Recovery	2	-	2	-	-	-	-	-	-	
Gifts/Donations	(658)	66,090	72,481	-	(7,049)	47,004	73,262	-	(33,307)	
After School Program	(6,975)	52,314	44,835	-	504	49,456	49,913	-	47	
Benton Community Foundation	(64)	8,468	9,321	-	(917)	3,528	4,237	-	(1,626)	
Cooperative School Services	(44,665)	135,125	107,196	-	(16,736)	112,816	100,605	-	(4,525)	
Helping Hands Contributions	-	2,065	556	-	1,509	4,175	3,622	-	2,062	
CEIS Grant - Cooperative Sch Svc	-	-	-	-	-	19,593	26,277	-	(6,684)	
Benton Comm Foundation Grants	-	-	-	-	-	5,114	-	-	5,114	
Windmill Money	592,155	365,298	444,654	-	512,799	328,671	325,693	-	515,777	
Tech Prep	-	-	-	-	-	-	-	-	-	
Project Lead the Way	-	15,000	14,995	-	5	-	-	-	5	
Tech Prep May 2012	-	-	2,120	-	(2,120)	2,120	-	-	-	
Medicaid Reimbursement	10,524	-	1,631	-	8,893	15,651	8,394	(10,156)	5,994	

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

BENTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Non-English Speaking Programs P.L. 273-1999 2008-09	107	-	107	-	-	-	-	-	-
Non-English Speaking Grant 2009-10	-	-	-	-	-	-	-	-	-
Non-English Speaking Program	-	-	-	-	-	-	-	-	-
Non-English Speaking Program 2010-11	2,101	-	2,101	-	-	-	-	-	-
Non-English Speaking Grant 2011-12	-	4,985	4,985	-	-	-	-	-	-
Non-English Speaking Grant 2012-13	-	-	-	-	-	4,745	4,675	-	70
School Technology	1,110	4,274	4,318	-	1,066	4,665	4,459	-	1,272
Miscellaneous Programs	-	-	-	-	-	-	-	-	-
Gifted and Talented 2008-09	-	-	-	-	-	-	-	-	-
Gifted and Talented 2009-10	-	-	-	-	-	-	-	-	-
Gifted and Talented 2010-11	10,510	-	10,313	-	197	-	197	-	-
Gifted and Talented 2011-12	-	31,611	23,328	-	8,283	-	8,254	-	29
Gifted and Talented 2012-13	-	-	-	-	-	33,172	28,761	-	4,411
Senator David Ford Technology	-	-	-	-	-	30,000	20,664	-	9,336
Excess PTRC Distributions	-	-	-	-	-	-	-	-	-
James & Mable Wright Scholarship	-	150	150	-	-	-	-	-	-
Kevin Klemme Memorial Scholarship	-	500	500	-	-	-	-	-	-
Title I 2009-10	-	-	-	-	-	-	-	-	-
Title I 2010-11	(25,704)	39,973	14,217	-	52	-	52	-	-
Title I 2011-12	-	152,698	167,064	-	(14,366)	201,426	246,061	-	(59,001)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	68,111	68,111	-	-
Special Ed Improvement Award	-	-	-	-	-	-	399	-	(399)
Adult Education 2009-2010	-	-	-	-	-	-	-	-	-
Adult Education Grant	(4,607)	12,756	6,513	-	1,636	-	-	-	1,636
Safe and Drug Free Grant 09-10	-	4,946	4,665	-	281	-	281	-	-
Vocational and Technical Board Grants	(331)	331	-	-	-	-	-	-	-
Medicaid Reimbursement - Federal	23,442	-	7,351	-	16,091	31,719	20,944	-	26,866
Title II Part A 2009-10	1,037	-	1,037	-	-	-	-	-	-
Title II Part A 2010-11	(17,484)	58,415	40,752	-	179	-	179	-	-
Title II Class Size Reduction 2012-13	-	19,363	28,867	-	(9,504)	49,008	39,504	-	-
Title II Class Size Reduction 2013-14	-	-	-	-	-	2,698	13,648	-	(10,950)
Title III - Non-English Speaking Grant	-	-	-	-	-	-	-	-	-
Title III - ESL 2010-11	-	-	-	-	-	-	-	-	-
Title I - School Improvement	-	-	-	-	-	-	-	-	-
Special Education - Part B	-	-	-	-	-	-	-	-	-
Education Technology	87	-	-	-	87	-	87	-	-
Education Jobs	-	251,824	361,976	-	(110,152)	154,016	43,866	-	(2)
Payroll	213,796	3,209,878	3,235,920	-	187,754	3,318,935	3,477,273	-	29,416
Totals	\$ 10,480,718	\$ 25,779,558	\$ 24,000,886	\$ -	\$ 12,259,390	\$ 25,258,623	\$ 24,605,783	\$ (16,730)	\$ 12,895,500

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

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

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

F. Other Financing Sources and Uses

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

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

BENTON COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not made by year end.

Note 8. Restatements

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2011	Prior Period Adjustment	Balance as of July 1, 2011
Payroll	\$ -	\$ 213,796	\$ 213,796

Note 9. Holding Corporations

The School Corporation has entered into a capital lease with Benton School Improvement 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 2011-2012 and 2012-2013 totaled \$2,228,500 and \$2,229,000, respectively.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office.

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

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

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 762,020	\$ 36,034	\$ 95,469	\$ 1,012,804	\$ 856,420	\$ 382,797	\$ 5,537,126
Receipts:							
Local sources	232,767	3,295,192	240,360	1,907,502	1,811,528	278,036	-
Intermediate sources	2,476	-	-	-	-	-	-
State sources	12,293,256	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>12,528,499</u>	<u>3,295,192</u>	<u>240,360</u>	<u>1,907,502</u>	<u>1,811,528</u>	<u>278,036</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	7,684,969	-	-	-	-	-	322,323
Support services	3,957,905	-	-	1,084,661	1,647,649	-	1,500
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	878,450	-	-	121,188
Debt services	-	2,228,000	256,164	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>11,642,874</u>	<u>2,228,000</u>	<u>256,164</u>	<u>1,963,111</u>	<u>1,647,649</u>	<u>-</u>	<u>445,011</u>
Excess (deficiency) of receipts over disbursements	<u>885,625</u>	<u>1,067,192</u>	<u>(15,804)</u>	<u>(55,609)</u>	<u>163,879</u>	<u>278,036</u>	<u>(445,011)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	(300,000)	-	300,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>885,625</u>	<u>1,067,192</u>	<u>(15,804)</u>	<u>(55,609)</u>	<u>(136,121)</u>	<u>278,036</u>	<u>(145,011)</u>
Cash and investments - ending	<u>\$ 1,647,645</u>	<u>\$ 1,103,226</u>	<u>\$ 79,665</u>	<u>\$ 957,195</u>	<u>\$ 720,299</u>	<u>\$ 660,833</u>	<u>\$ 5,392,115</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Retirement/ Severance Bond	Reconstruction Fund	Construction - High School	School Lunch	Textbook Rental	Levy Excess	Perkins Vocational 2008-09
Cash and investments - beginning	\$ 400,930	\$ (3,955)	\$ 6,210	\$ 401,463	\$ 233,851	\$ -	\$ 13
Receipts:							
Local sources	431	-	-	439,496	153,607	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	507,952	67,657	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	27,429	-	750	-	-	-
Total receipts	431	27,429	-	948,198	221,264	-	-
Disbursements:							
Current:							
Instruction	24,694	-	-	-	-	-	-
Support services	-	18,668	-	1,270	222,379	-	13
Noninstructional services	-	-	-	861,369	-	-	-
Facilities acquisition and construction	-	-	2,194	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	24,694	18,668	2,194	862,639	222,379	-	13
Excess (deficiency) of receipts over disbursements	(24,263)	8,761	(2,194)	85,559	(1,115)	-	(13)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,263)	8,761	(2,194)	85,559	(1,115)	-	(13)
Cash and investments - ending	\$ 376,667	\$ 4,806	\$ 4,016	\$ 487,022	\$ 232,736	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Perkins Grant 2009-10	Perkins Grant 2010-11	Perkins Grant 2011-12	Perkins Grant 2012-13	Artist in Residence Grant 2010-11	Artist in Residence Grant 2011-12	Artist in Residence Grant 2012-13
Cash and investments - beginning	\$ -	\$ (7,006)	\$ -	\$ -	\$ (749)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	788	1,875	-
Federal sources	-	8,149	22,594	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	8,149	22,594	-	788	1,875	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	2,461	-
Support services	-	1,072	22,547	-	38	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	1,072	22,547	-	38	2,461	-
Excess (deficiency) of receipts over disbursements	-	7,077	47	-	750	(586)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,077	47	-	750	(586)	-
Cash and investments - ending	\$ -	\$ 71	\$ 47	\$ -	\$ 1	\$ (586)	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Educational License Plates	Safe Haven Grant	Safe Haven Grant 2010-11	Safe Haven Grant 2011-12	Early Intervention Grant	Safe Haven Grant 2012-13	Reading Recovery
Cash and investments - beginning	\$ 12,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	488	-	-	-	-	-	-
State sources	-	-	-	15,000	36,161	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>488</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>36,161</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	34,417	-	2
Support services	-	-	-	15,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>34,417</u>	<u>-</u>	<u>2</u>
Excess (deficiency) of receipts over disbursements	<u>488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,744</u>	<u>-</u>	<u>(2)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,744</u>	<u>-</u>	<u>(2)</u>
Cash and investments - ending	<u>\$ 13,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ -</u>	<u>\$ -</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Gifts/Donations	After School Program	Benton Community Foundation	Cooperative School Services	Helping Hands Contributions	CEIS Grant - Cooperative Sch Svc	Benton Comm Foundation Grants
Cash and investments - beginning	\$ (658)	\$ (6,975)	\$ (64)	\$ (44,665)	\$ -	\$ -	\$ -
Receipts:							
Local sources	66,090	52,314	8,468	135,125	2,065	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	66,090	52,314	8,468	135,125	2,065	-	-
Disbursements:							
Current:							
Instruction	67,722	44,835	9,321	106,429	556	-	-
Support services	4,759	-	-	767	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	72,481	44,835	9,321	107,196	556	-	-
Excess (deficiency) of receipts over disbursements	(6,391)	7,479	(853)	27,929	1,509	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,391)	7,479	(853)	27,929	1,509	-	-
Cash and investments - ending	\$ (7,049)	\$ 504	\$ (917)	\$ (16,736)	\$ 1,509	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Windmill Money	Tech Prep	Project Lead the Way	Tech Prep May 2012	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999 2008-09	Non-English Speaking Grant 2009-10
Cash and investments - beginning	\$ 592,155	\$ -	\$ -	\$ -	\$ 10,524	\$ 107	\$ -
Receipts:							
Local sources	365,298	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	15,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	365,298	-	15,000	-	-	-	-
Disbursements:							
Current:							
Instruction	391,016	-	14,995	2,120	254	107	-
Support services	53,638	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,377	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	444,654	-	14,995	2,120	1,631	107	-
Excess (deficiency) of receipts over disbursements	(79,356)	-	5	(2,120)	(1,631)	(107)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(79,356)	-	5	(2,120)	(1,631)	(107)	-
Cash and investments - ending	\$ 512,799	\$ -	\$ 5	\$ (2,120)	\$ 8,893	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Non-English Speaking Program	Non-English Speaking Program 2010-11	Non-English Speaking Grant 2011-12	Non-English Speaking Grant 2012-13	School Technology	Miscellaneous Programs	Gifted and Talented 2008-09
Cash and investments - beginning	\$ -	\$ 2,101	\$ -	\$ -	\$ 1,110	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	4,985	-	4,274	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	4,985	-	4,274	-	-
Disbursements:							
Current:							
Instruction	-	2,101	4,985	-	-	-	-
Support services	-	-	-	-	4,318	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	2,101	4,985	-	4,318	-	-
Excess (deficiency) of receipts over disbursements	-	(2,101)	-	-	(44)	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,101)	-	-	(44)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 1,066	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Gifted and Talented 2009-10	Gifted and Talented 2010-11	Gifted and Talented 2011-12	Gifted and Talented 2012-13	Senator David Ford Technology	Excess PTRC Distributions
Cash and investments - beginning	\$ -	\$ 10,510	\$ -	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	31,611	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	31,611	-	-	-
Disbursements:						
Current:						
Instruction	-	10,313	23,328	-	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	10,313	23,328	-	-	-
Excess (deficiency) of receipts over disbursements	-	(10,313)	8,283	-	-	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(10,313)	8,283	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ 8,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	James & Mable Wright Scholarship	Kevin Klemme Memorial Scholarship	Title I 2009-10	Title I 2010-11	Title I 2011-12	(IDEA, Part B) LEA Capacity Building (Sliver) Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (25,704)	\$ -	\$ -
Receipts:						
Local sources	150	500	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	39,973	152,698	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>150</u>	<u>500</u>	<u>-</u>	<u>39,973</u>	<u>152,698</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	14,217	157,308	-
Support services	-	-	-	-	9,114	-
Noninstructional services	-	-	-	-	642	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	150	500	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>150</u>	<u>500</u>	<u>-</u>	<u>14,217</u>	<u>167,064</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,756</u>	<u>(14,366)</u>	<u>-</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,756</u>	<u>(14,366)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ (14,366)</u>	<u>\$ -</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Special Ed Improvement Award	Adult Education 2009-2010	Adult Education Grant	Safe and Drug Free Grant 09-10	Vocational and Technical Board Grants	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ -	\$ (4,607)	\$ -	\$ (331)	\$ 23,442
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	331	-
Federal sources	-	-	12,756	4,946	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	12,756	4,946	331	-
Disbursements:						
Current:						
Instruction	-	-	6,513	4,665	-	-
Support services	-	-	-	-	-	7,351
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	6,513	4,665	-	7,351
Excess (deficiency) of receipts over disbursements	-	-	6,243	281	331	(7,351)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,243	281	331	(7,351)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,636</u>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 16,091</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title II Part A 2009-10	Title II Part A 2010-11	Title II Class Size Reduction 2012-13	Title II Class Size Reduction 2013-14	Title III - Non-English Speaking Grant	Title III - ESL 2010-11
Cash and investments - beginning	\$ 1,037	\$ (17,484)	\$ -	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	58,415	19,363	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	58,415	19,363	-	-	-
Disbursements:						
Current:						
Instruction	198	35,987	28,867	-	-	-
Support services	839	4,765	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	1,037	40,752	28,867	-	-	-
Excess (deficiency) of receipts over disbursements	(1,037)	17,663	(9,504)	-	-	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,037)	17,663	(9,504)	-	-	-
Cash and investments - ending	\$ -	\$ 179	\$ (9,504)	\$ -	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I - School Improvement	Special Education - Part B	Education Technology	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 87	\$ -	\$ 213,796	\$ 10,480,718
Receipts:						
Local sources	-	-	-	-	-	8,988,929
Intermediate sources	-	-	-	-	-	2,964
State sources	-	-	-	-	-	12,978,890
Federal sources	-	-	-	251,824	-	570,718
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	3,209,878	3,238,057
Total receipts	-	-	-	251,824	3,209,878	25,779,558
Disbursements:						
Current:						
Instruction	-	-	-	284,354	-	9,279,057
Support services	-	-	-	77,622	-	7,135,875
Noninstructional services	-	-	-	-	-	862,011
Facilities acquisition and construction	-	-	-	-	-	1,003,209
Debt services	-	-	-	-	-	2,484,164
Nonprogrammed charges	-	-	-	-	3,235,920	3,236,570
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	-	361,976	3,235,920	24,000,886
Excess (deficiency) of receipts over disbursements	-	-	-	(110,152)	(26,042)	1,778,672
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(110,152)	(26,042)	1,778,672
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ (110,152)</u>	<u>\$ 187,754</u>	<u>\$ 12,259,390</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 1,647,645	\$ 1,103,226	\$ 79,665	\$ 957,195	\$ 720,299	\$ 660,833	\$ 5,392,115
Receipts:							
Local sources	418,412	2,612,579	204,819	1,911,781	1,642,281	457,936	-
Intermediate sources	2,476	-	-	-	-	-	-
State sources	12,381,259	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>12,802,147</u>	<u>2,612,579</u>	<u>204,819</u>	<u>1,911,781</u>	<u>1,642,281</u>	<u>457,936</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	8,283,893	-	-	-	-	-	1,182
Support services	3,690,173	-	-	1,350,131	1,738,704	-	40,084
Noninstructional services	-	-	-	-	-	-	383
Facilities acquisition and construction	-	-	-	909,994	-	436,170	40,437
Debt services	-	2,229,000	253,061	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>11,974,066</u>	<u>2,229,000</u>	<u>253,061</u>	<u>2,260,125</u>	<u>1,738,704</u>	<u>436,170</u>	<u>82,086</u>
Excess (deficiency) of receipts over disbursements	<u>828,081</u>	<u>383,579</u>	<u>(48,242)</u>	<u>(348,344)</u>	<u>(96,423)</u>	<u>21,766</u>	<u>(82,086)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	10,156	-	-	-	-	-	-
Transfers out	-	(16,730)	-	-	-	-	-
Total other financing sources (uses)	<u>10,156</u>	<u>(16,730)</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>838,237</u>	<u>366,849</u>	<u>(48,242)</u>	<u>(348,344)</u>	<u>(96,423)</u>	<u>21,766</u>	<u>(82,086)</u>
Cash and investments - ending	<u>\$ 2,485,882</u>	<u>\$ 1,470,075</u>	<u>\$ 31,423</u>	<u>\$ 608,851</u>	<u>\$ 623,876</u>	<u>\$ 682,599</u>	<u>\$ 5,310,029</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Retirement/ Severance Bond	Reconstruction Fund	Construction - High School	School Lunch	Textbook Rental	Levy Excess	Perkins Vocational 2008-09
Cash and investments - beginning	\$ 376,667	\$ 4,806	\$ 4,016	\$ 487,022	\$ 232,736	-	-
Receipts:							
Local sources	322	-	-	423,682	147,335	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	472,153	65,041	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>322</u>	<u>-</u>	<u>-</u>	<u>895,835</u>	<u>212,376</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	36,857	-	-	-	-	-	-
Support services	-	-	-	1,283	112,990	-	-
Noninstructional services	-	-	-	871,617	-	-	-
Facilities acquisition and construction	-	-	3,377	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>36,857</u>	<u>-</u>	<u>3,377</u>	<u>872,900</u>	<u>112,990</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(36,535)</u>	<u>-</u>	<u>(3,377)</u>	<u>22,935</u>	<u>99,386</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(36,535)</u>	<u>-</u>	<u>(3,377)</u>	<u>22,935</u>	<u>99,386</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 340,132</u>	<u>\$ 4,806</u>	<u>\$ 639</u>	<u>\$ 509,957</u>	<u>\$ 332,122</u>	<u>\$ -</u>	<u>\$ -</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Perkins Grant 2009-10	Perkins Grant 2010-11	Perkins Grant 2011-12	Perkins Grant 2012-13	Artist in Residence Grant 2010-11	Artist in Residence Grant 2011-12	Artist in Residence Grant 2012-13
Cash and investments - beginning	\$ -	\$ 71	\$ 47	\$ -	\$ 1	\$ (586)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	625	1,875
Federal sources	-	-	-	23,111	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	23,111	-	625	1,875
Disbursements:							
Current:							
Instruction	-	-	-	8,297	-	39	2,377
Support services	-	70	47	14,699	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	70	47	22,996	-	39	2,377
Excess (deficiency) of receipts over disbursements	-	(70)	(47)	115	-	586	(502)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(70)	(47)	115	-	586	(502)
Cash and investments - ending	\$ -	\$ 1	\$ -	\$ 115	\$ 1	\$ -	\$ (502)

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Educational License Plates	Safe Haven Grant	Safe Haven Grant 2010-11	Safe Haven Grant 2011-12	Early Intervention Grant	Safe Haven Grant 2012-13	Reading Recovery
Cash and investments - beginning	\$ 13,396	\$ -	\$ -	\$ -	\$ 1,744	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	563	-	-	-	-	-	-
State sources	-	-	-	-	-	5,750	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,750</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	11,500	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,500</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,750)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,750)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 13,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ (5,750)</u>	<u>\$ -</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Gifts/Donations	After School Program	Benton Community Foundation	Cooperative School Services	Helping Hands Contributions	CEIS Grant - Cooperative Sch Svc	Benton Comm Foundation Grants
Cash and investments - beginning	\$ (7,049)	\$ 504	\$ (917)	\$ (16,736)	\$ 1,509	\$ -	\$ -
Receipts:							
Local sources	47,004	49,456	3,528	112,816	4,175	19,593	5,114
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>47,004</u>	<u>49,456</u>	<u>3,528</u>	<u>112,816</u>	<u>4,175</u>	<u>19,593</u>	<u>5,114</u>
Disbursements:							
Current:							
Instruction	73,182	49,721	4,237	98,623	512	26,277	-
Support services	80	192	-	1,982	3,110	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>73,262</u>	<u>49,913</u>	<u>4,237</u>	<u>100,605</u>	<u>3,622</u>	<u>26,277</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(26,258)</u>	<u>(457)</u>	<u>(709)</u>	<u>12,211</u>	<u>553</u>	<u>(6,684)</u>	<u>5,114</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(26,258)</u>	<u>(457)</u>	<u>(709)</u>	<u>12,211</u>	<u>553</u>	<u>(6,684)</u>	<u>5,114</u>
Cash and investments - ending	<u>\$ (33,307)</u>	<u>\$ 47</u>	<u>\$ (1,626)</u>	<u>\$ (4,525)</u>	<u>\$ 2,062</u>	<u>\$ (6,684)</u>	<u>\$ 5,114</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Windmill Money	Tech Prep	Project Lead the Way	Tech Prep May 2012	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999 2008-09	Non-English Speaking Grant 2009-10
Cash and investments - beginning	\$ 512,799	\$ -	\$ 5	\$ (2,120)	\$ 8,893	\$ -	\$ -
Receipts:							
Local sources	328,671	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	2,120	15,651	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	328,671	-	-	2,120	15,651	-	-
Disbursements:							
Current:							
Instruction	306,943	-	-	-	8,893	-	-
Support services	18,750	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	(499)	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	325,693	-	-	-	8,394	-	-
Excess (deficiency) of receipts over disbursements	2,978	-	-	2,120	7,257	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10,156)	-	-
Total other financing sources (uses)	-	-	-	-	(10,156)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,978	-	-	2,120	(2,899)	-	-
Cash and investments - ending	\$ 515,777	\$ -	\$ 5	\$ -	\$ 5,994	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Non-English Speaking Program	Non-English Speaking Program 2010-11	Non-English Speaking Grant 2011-12	Non-English Speaking Grant 2012-13	School Technology	Miscellaneous Programs	Gifted and Talented 2008-09
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,066	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	4,745	4,665	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	4,745	4,665	-	-
Disbursements:							
Current:							
Instruction	-	-	-	4,675	-	-	-
Support services	-	-	-	-	4,459	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	4,675	4,459	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	70	206	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	70	206	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 70	\$ 1,272	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Gifted and Talented 2009-10	Gifted and Talented 2010-11	Gifted and Talented 2011-12	Gifted and Talented 2012-13	Senator David Ford Technology	Excess PTRC Distributions
Cash and investments - beginning	\$ -	\$ 197	\$ 8,283	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	33,172	30,000	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	33,172	30,000	-
Disbursements:						
Current:						
Instruction	-	197	8,254	28,761	-	-
Support services	-	-	-	-	20,664	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	197	8,254	28,761	20,664	-
Excess (deficiency) of receipts over disbursements	-	(197)	(8,254)	4,411	9,336	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(197)	(8,254)	4,411	9,336	-
Cash and investments - ending	\$ -	\$ -	\$ 29	\$ 4,411	\$ 9,336	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	James & Mable Wright Scholarship	Kevin Klemme Memorial Scholarship	Title I 2009-10	Title I 2010-11	Title I 2011-12	(IDEA, Part B) LEA Capacity Building (Silver) Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 52	\$ (14,366)	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	35,722
Federal sources	-	-	-	-	201,426	32,389
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	201,426	68,111
Disbursements:						
Current:						
Instruction	-	-	-	-	199,485	68,111
Support services	-	-	-	-	41,274	-
Noninstructional services	-	-	-	52	5,302	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	-	52	246,061	68,111
Excess (deficiency) of receipts over disbursements	-	-	-	(52)	(44,635)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(52)	(44,635)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (59,001)	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Special Ed Improvement Award	Adult Education 2009-2010	Adult Education Grant	Safe and Drug Free Grant 09-10	Vocational and Technical Board Grants	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ -	\$ 1,636	\$ 281	\$ -	\$ 16,091
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	31,719
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	31,719
Disbursements:						
Current:						
Instruction	399	-	-	281	-	15,559
Support services	-	-	-	-	-	4,250
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,135
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	399	-	-	281	-	20,944
Excess (deficiency) of receipts over disbursements	(399)	-	-	(281)	-	10,775
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(399)	-	-	(281)	-	10,775
Cash and investments - ending	\$ (399)	\$ -	\$ 1,636	\$ -	\$ -	\$ 26,866

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title II Part A 2009-10	Title II Part A 2010-11	Title II Class Size Reduction 2012-13	Title II Class Size Reduction 2013-14	Title III - Non-English Speaking Grant	Title III - ESL 2010-11
Cash and investments - beginning	\$ -	\$ 179	\$ (9,504)	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	49,008	2,698	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	49,008	2,698	-	-
Disbursements:						
Current:						
Instruction	-	-	38,344	13,488	-	-
Support services	-	179	1,160	160	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	179	39,504	13,648	-	-
Excess (deficiency) of receipts over disbursements	-	(179)	9,504	(10,950)	-	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(179)	9,504	(10,950)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (10,950)	\$ -	\$ -

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I - School Improvement	Special Education - Part B	Education Technology	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 87	\$ (110,152)	\$ 187,754	\$ 12,259,390
Receipts:						
Local sources	-	-	-	-	-	8,389,504
Intermediate sources	-	-	-	-	-	3,039
State sources	-	-	-	-	-	13,052,778
Federal sources	-	-	-	154,016	-	494,367
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	3,318,935	3,318,935
Total receipts	-	-	-	154,016	3,318,935	25,258,623
Disbursements:						
Current:						
Instruction	-	-	-	21,799	-	9,300,386
Support services	-	-	-	22,067	-	7,078,008
Noninstructional services	-	-	-	-	-	877,354
Facilities acquisition and construction	-	-	87	-	-	1,390,701
Debt services	-	-	-	-	-	2,482,061
Nonprogrammed charges	-	-	-	-	3,477,273	3,477,273
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	87	43,866	3,477,273	24,605,783
Excess (deficiency) of receipts over disbursements	-	-	(87)	110,150	(158,338)	652,840
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	10,156
Transfers out	-	-	-	-	-	(26,886)
Total other financing sources (uses)	-	-	-	-	-	(16,730)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(87)	110,150	(158,338)	636,110
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (2)	\$ 29,416	\$ 12,895,500

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BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

School Corporation	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 999,529</u>	<u>\$ 123,507</u>

BENTON COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
High School Building	Remodeled High School	\$ 824,000	01-15-06	01-15-25
Elementary School Building	Built New Elementary	1,405,000	01-15-06	01-15-25
Share of Cooperative Building	New Special Ed Co-op Bldg	<u>19,920</u>		07-01-21
Total of annual lease payments		<u>\$ 2,248,920</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement Severance Bonds 2002 & 2006	\$ 1,760,000	\$ 247,503
Totals		<u>\$ 1,760,000</u>	<u>\$ 247,503</u>

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 116,600
Infrastructure	3,421,000
Buildings	80,569,390
Improvements other than buildings	1,206,010
Machinery, equipment, and vehicles	<u>5,334,025</u>
Total capital assets	<u>\$ 90,647,025</u>

BENTON COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

The Annual Report for fiscal year 2013 contained the following errors:

Four scholarship funds were not included: Timothy Scholarship, James & Mabel Wright Scholarship, Pioneer Scholarship, and Kevin Klemme Memorial Scholarship. Total receipts were \$1,825 and total disbursements \$825.

Title I 2011-12 and Title I 2012-13 were combined on the Annual Report but the School's ledger had them separate.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

RECEIPT ISSUANCE

We conducted a test designed to verify that receipts issued were properly recorded to the School Corporation's records at the time the transactions occurred. Receipts for local distributions are written on the last day of the month instead of when the distributions are received. The distributions were deposited timely based on the distribution date from the County.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a 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



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

TO: THE OFFICIALS OF THE BENTON COMMUNITY SCHOOL
CORPORATION, BENTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Benton Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-5. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-3 and 2013-4 to be material weaknesses.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 14, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY 2011	\$ 15,877	\$ -
			FY 2012	73,188	17,392
			FY 2013	-	68,166
				<u>89,065</u>	<u>85,558</u>
Total - School Breakfast Program					
National School Lunch Program	Indiana Department of Education	10.555			
			FY 2011	73,890	-
			FY 2012	397,272	77,692
			FY 2013	-	364,394
				<u>471,162</u>	<u>442,086</u>
Total - National School Lunch Program					
Total - Child Nutrition Cluster				<u>560,227</u>	<u>527,644</u>
Total - Department of Agriculture				<u>560,227</u>	<u>527,644</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			2010-11	39,973	-
			2011-12	152,698	53,222
			2012-13	-	148,205
				<u>192,671</u>	<u>201,427</u>
Total - Title I, Part A Cluster					
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027	A58-3-13DL-1484	-	68,111
Educational Technology State Grants Cluster					
ARRA - Educational Technology State Grants, Recovery Act	Beech Grove School Corporation	84.386			
			2009-10	-	87
Adult Education - Basic Grants to States	Lafayette School Corporation	84.002			
			2011-12	12,756	-
Career and Technical Education - Basic Grants to States	Tippecanoe School Corporation	84.048			
			2010-11	8,149	-
			2011-12	22,594	-
			2012-13	-	23,111
			13-4700-7865	-	2,120
				<u>30,743</u>	<u>25,231</u>
Total Career and Technical Education - Basic Grants to States					

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

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Education (continued)</u>					
Safe and Drug Free Schools and Communities State Grants	Indiana Department of Education	84.186	2009-10	4,946	-
Tech-Prep Education	Tippecanoe School Corporation	84.243	2011-12 PLTW	15,000	-
Tech-Prep Education	Indiana Department of Education		A58-1-11CI-023	331	-
Total Tech-Prep Education				15,331	-
English Language Acquisition State Grants	Wabash Valley Education Center	84.365	2010-11	7,126	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	2009-10	1,037	-
			2010-11	58,415	-
			2011-12	19,363	49,008
			2012-13	-	2,698
Total - Improving Teacher Quality State Grants				78,815	51,706
Education Jobs Fund	Indiana Department of Education	84.410	2011-12	361,975	-
			2012-13	-	43,865
Total - Education Jobs Fund				361,975	43,865
Total - Department of Education				704,363	390,427
<u>Department of Health and Human Services</u>					
Medicaid Cluster Medical Assistance Program	Direct Grant	93.778	2012-13	-	31,719
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FEMA-1997-DR-IN	1,948	-
Total federal awards expended				<u>\$ 1,266,538</u>	<u>\$ 949,790</u>

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Benton Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011-2012	2012-2013
National School Lunch Program	10.555	\$ 63,055	\$ 66,525

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes

Identification of Major Programs:

<u>CFDA</u>	<u>Name of Federal Program</u>
84.410	Child Nutrition Cluster Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2013-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.

3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

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 management's 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.

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)

***FINDING 2013-2 - INTERNAL CONTROL AND COMPLIANCE
OVER SCHEDULE OF FEDERAL EXPENDITURES***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: two programs were not reported in the appropriate fiscal years; for the National School Lunch Program, snack reimbursements and commodities were not included and a posting error caused an additional misstatement; and six programs were omitted from the schedule. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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 management's 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.

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

**FINDING 2013-3 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS
THAT HAVE A DIRECT AND MATERIAL EFFECT TO EDUCATION JOBS FUND**

Federal Agency: Department of Education
Federal Program: Education Jobs Fund
CFDA Number: 84.410

Federal Award Number and Year (or Other Identifying Number): FY 2011-12 and FY 2012-13
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities, Allowable Costs, Cash Management, Period of Availability, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-4 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO NATIONAL SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program and School Breakfast Program
CFDA Number: 10.553 and 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2011, FY 2012, and FY 2013
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed, Allowable Costs, Cash Management, Program Income, Reporting, Special Tests and Provisions. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-5 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program and School Breakfast Program
CFDA Number: 10.555 and 10.553
Federal Award Number and Year (or Other Identifying Number): FY 2011 and FY 2012
Pass-Through Entity: Indiana Department of Education

The School Corporation was required to verify eight free and reduced lunch applications for the 2012-2013 school year. Only seven free and reduced applications were verified. The verification report stated that there were three applications for which there was no response, but there were actually only two.

The School Corporation did not comply with the paid lunch equity requirement for 2012-2013. Prior to receiving the weighted average price worksheet, the School Board had voted not to increase lunch prices. When the Food Service Director received the worksheet from the Indiana Department of Education, she did not complete it. This worksheet calculates the weighted average lunch price and compares it to the paid lunch equity rate computed by the State. There is no indication that the School Board was informed of the new regulation or that failure to increase lunch prices would be noncompliance.

7 CFR 245.6a(c) states in part:

- "(3) *Standard sample size.* Unless eligible for an alternative sample size under paragraph (d) of this section, the sample size for each local educational agency shall equal the lesser of:
- (i) Three (3) percent of all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; or
 - (ii) 3,000 error prone applications approved by the local educational agency for the school year, as of October 1 of the school year.
 - (iii) Local educational agencies shall not exceed the standard sample size in paragraphs (c)(3)(i) or (c)(3)(ii) of this section, as applicable, and, unless eligible for one of the alternative sample sizes provided in paragraph (c)(4) of this section, the local educational agency shall not use a smaller sample size than those in paragraphs (c)(3)(i) or (c)(3)(ii) of this section, as applicable.
 - (iv) If the number of error-prone applications exceeds the required sample size, the local educational agency shall select the required sample at random, i.e., each application has an equal chance of being selected, from the total number of error-prone applications."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

- (1) *Calculation procedures.* Each school food authority shall:
- (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);
 - (iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section.
- (2) *Average paid lunch price is equal to/greater than the reimbursement difference.* When the average paid lunch price from the prior school year is equal to or greater than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average paid lunch price for the current school year that is not less than the difference identified in (e)(1)(iii) of this section; except that, the school food authority may use the procedure in paragraph (e)(4)(ii) of this section when establishing prices of paid lunches.
- (3) *Average lunch price is lower than the reimbursement difference.* When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:
- (i) 2 percent; and
 - (ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the Federal Register announcing the national average payment rates, from the prior year.
- (4) *Price Adjustments.*
- (i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents.
 - (ii) *Rounding of paid lunch prices.* Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents.
 - (iii) *Optional price increases.* A school food authority may increase the average price by more than ten cents."

Inadequate verification could allow improperly approved applications to go undetected. Failure to calculate and comply with paid lunch equity could result in an unfair distribution of lunch costs. Failing to comply with directives of the grantor or pass-through agency could result in a decrease or elimination of reimbursement.

We recommended that the School Corporation comply with the special tests and provisions related to this grant.

Corrective Action Plan

Contact Person: Tracy Albertson
Contact Information: Benton Community School Corporation
405 S. Grant Ave.
P.O. Box 512
Fowler, IN 47944
765-884-0850
talbertson@benton.k12.in.us

FINDING 2013-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Payroll – Currently the Director of Finance electronically checks over the payroll check register for controls. Director of Finance will start printing off last page of payroll register and initial and date that the payroll register has been checked over for verification purposes.

Receipts – The corporation secretary will receive all checks and cash that is received at the corporation office, at that time she will write up the deposits to send to the bank. Deposit Slips from the lunch program will be verified with the Food Service Director. The Director of Finance will enter all receipts for the school corporation into the software system

Reconciliation – The corporation secretary will receive and open the bank statements noting the bank balances and look over statements for unusual activity. She will also verify that the deposits that she had written up for the month equal with the bank statement deposits. Director of Finance will reconcile the statements, after reconciling the statements the corporation secretary will verify that the reconcilments match the balance with what she had noted and that the bank balances equal the fund report.

All of the above will be implemented by January 31, 2014.

FINDING 2013-2 - INTERNAL CONTROL AND COMPLIANCE OVER SCHEDULE OF FEDERAL EXPENDITURES

This was a communication issue between auditors and Director of Finance. Director of Finance was not aware that we needed to list the grants that were being managed by another LEA.

Corrective action with next period reporting.

Internal Controls Corrective Actions are referenced in 2013-1 finding.

FINDING 2013-3- INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO EDUCATION JOBS FUND

Federal Agency: US Department of Education
Federal Program: Education Jobs Fund
CFDA Number: 84.410
Federal Award Number and Year (or Other Identifying Number): FY 11-12 and FY 12-13
Pass-Through Entity: Indiana Department of Education

Internal Controls Corrective Actions are referenced in 2013-1 finding

The Director of Finance and Digital Curriculum Director currently monitor the period of availability requirement. This is also currently tracked in the Accounting Software on the Fund Report.

FINDING 2013-4 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO NATIONAL SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program and School Breakfast Program
CFDA Number: 10.553 and 10.555
Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, and FY 12-13
Pass-Through Entity: Indiana Department of Education

Internal Controls Corrective Actions are referenced in 2013-1 finding

Director of Food Services, Director of Finance and Superintendent will meet periodically to go over reporting requirements and there completion dates.

Implementation by January 31, 2014

FINDING 2013-5 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program and School Breakfast Program
CFDA Number: 10.555 and 10.553
Federal Award Number and Year (or Other Identifying Number): FY 11-12 and FY12-13
Pass-Through Entity: Indiana Department of Education

The Director of Food Services was not aware that the paid lunch equity was mandatory, that was corrected the following year and subsequent years. All tests will be thoroughly checked.

Implementation with next testing/reporting period.

Benton Community School Corporation



Tracy Albertson
Director of Finance/Treasurer
January 13, 2014

BENTON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 14, 2014, with Tracy Albertson, Treasurer; Gregg H. Hoover, Interim Superintendent of Schools; and Michael Souligne, President of the School Board. The officials concurred with our audit findings.