

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

PORTER COUNTY EDUCATION SERVICES
PORTER COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
07/10/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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	6-7
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	11
Notes to Financial Statement.....	12-16
Supplementary Information - Unaudited: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	18-23
Schedule of Payables and Receivables	24
Schedule of Leases and Debt	25
Schedule of Capital Assets.....	27
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	30-31
Schedule of Expenditures of Federal Awards	35
Notes to Schedule of Expenditures of Federal Awards.....	36
Schedule of Findings and Questioned Costs	37
Auditee Prepared Schedule: Summary Schedule of Prior Audit Findings	38-39
Exit Conference.....	40

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruth Kenny	07-01-11 to 06-30-14
Chief Financial Officer	Quinnlyn Van Rys	07-01-11 to 06-30-14
Executive Director	Diane Massa	07-01-11 to 06-30-14
President of the Board of Directors	Dr. Rod Gardin	07-01-11 to 06-30-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE PORTER COUNTY EDUCATION SERVICES, PORTER COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Porter County Education Services (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 May 28, 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.

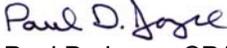
Accompanying Information

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

May 28, 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 PORTER COUNTY EDUCATION SERVICES, PORTER 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 Porter County Education Services (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 May 28, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 28, 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.

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PORTER COUNTY EDUCATION SERVICES
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 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
Retirement Loan	\$ -	\$ -	\$ 102,955	\$ 102,955	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects	1,059,228	492,134	209,011	-	1,342,351	479,748	103,952	-	1,718,147
General Fund	4,422,621	13,376,828	13,436,189	(5,000)	4,358,260	12,633,785	13,479,108	(7,500)	3,505,437
Vocational Cooperative	134,413	467,098	520,499	-	81,012	521,603	538,771	-	63,844
Transfer Vocational Tuition	1,658,140	3,695,594	3,591,346	-	1,762,388	4,035,238	3,826,076	-	1,971,550
Transfer Alternative Tuition	48,290	796,785	796,785	-	48,290	796,785	742,459	-	102,616
Vocational Accum Fund	69,116	-	-	-	69,116	-	-	-	69,116
Summer School	17,652	18,555	26,918	-	9,289	14,617	17,182	-	6,724
Trust Wellness Grant	26,476	-	14,418	-	12,058	10,350	16,948	-	5,460
Tech Prep	(22,603)	25,190	2,587	-	-	-	-	-	-
Adult and Continuing Education	580,475	448,508	1,028,983	-	-	-	-	-	-
School Technology	118,054	52,438	20,636	-	149,856	51,062	28,734	-	172,184
Juvenile Detention	14,998	14,998	14,998	-	14,998	14,998	14,998	-	14,998
Professional Rights Responsibilities	3,779	-	6,230	5,000	2,549	-	7,314	7,500	2,735
County Wide Inservice	9,971	3,000	5,700	-	7,271	5,511	5,792	-	6,990
Preschool 2010-11	(4,448)	4,448	-	-	-	-	-	-	-
Preschool 2011-12	-	110,275	112,469	-	(2,194)	2,194	-	-	-
Preschool 2012-13	-	-	-	-	-	147,151	147,151	-	-
Perkins 2012-13	-	-	-	-	-	244,174	308,261	-	(64,087)
Perkins 2010-11	(43,560)	66,716	23,156	-	-	-	-	-	-
Perkins 2011-12	-	230,563	267,072	-	(36,509)	43,367	6,858	-	-
IDEA Part B 2009-10	(60,319)	158,860	98,541	-	-	-	-	-	-
IDEA Part B 2010-11	(319,201)	1,144,553	879,745	-	(54,393)	54,393	-	-	-
IDEA Part B 2011-12	-	4,310,696	4,591,313	-	(280,617)	1,208,657	965,079	-	(37,039)
IDEA Part B 2012-13	-	-	-	-	-	4,449,336	4,692,821	-	(243,485)
Special Education Part B Stimulus	(870,656)	1,850,984	980,328	-	-	-	-	-	-
Special Education Part B Preschool Stimulus	(112,946)	122,958	10,012	-	-	-	-	-	-
Payroll Withholdings Clearing	80,628	4,331,725	4,396,159	-	16,194	4,492,494	4,457,031	-	51,657
Totals	\$ 6,810,108	\$ 31,722,906	\$ 31,136,050	\$ 102,955	\$ 7,499,919	\$ 29,205,463	\$ 29,358,535	\$ -	\$ 7,346,847

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

PORTER COUNTY EDUCATION SERVICES
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.

PORTER COUNTY EDUCATION SERVICES
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.

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.

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.

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.

PORTER COUNTY EDUCATION SERVICES
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 3. 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 4. 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.

PORTER COUNTY EDUCATION SERVICES
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. 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.

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 Capitol 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:

PORTER COUNTY EDUCATION SERVICES
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capitol 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.

Note 6. 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 received by June 30, 2012 or 2013.

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.

PORTER COUNTY EDUCATION SERVICES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	Retirement Loan	Capital Projects	General Fund	Vocational Cooperative	Transfer Vocational Tuition	Transfer Alternative Tuition	Vocational Accum Fund	Summer School	Trust Wellness Grant
Cash and investments - beginning	\$ -	\$ 1,059,228	\$ 4,422,621	\$ 134,413	\$ 1,658,140	\$ 48,290	\$ 69,116	\$ 17,652	\$ 26,476
Receipts:									
Local sources	-	492,134	12,982,563	267,676	3,695,594	796,785	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	394,265	-	-	-	-	18,555	-
Federal sources	-	-	-	199,422	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	492,134	13,376,828	467,098	3,695,594	796,785	-	18,555	-
Disbursements:									
Current:									
Instruction	-	-	8,444,597	454,536	3,591,346	796,785	-	26,144	-
Support services	-	-	4,954,136	65,963	-	-	-	774	-
Noninstructional services	-	-	12,651	-	-	-	-	-	-
Facilities acquisition and construction	-	209,011	24,805	-	-	-	-	-	-
Debt services	102,955	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	14,418
Total disbursements	102,955	209,011	13,436,189	520,499	3,591,346	796,785	-	26,918	14,418
Excess (deficiency) of receipts over disbursements	(102,955)	283,123	(59,361)	(53,401)	104,248	-	-	(8,363)	(14,418)
Other financing sources (uses):									
Proceeds of long-term debt	102,955	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(5,000)	-	-	-	-	-	-
Total other financing sources (uses)	102,955	-	(5,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	283,123	(64,361)	(53,401)	104,248	-	-	(8,363)	(14,418)
Cash and investments - ending	\$ -	\$ 1,342,351	\$ 4,358,260	\$ 81,012	\$ 1,762,388	\$ 48,290	\$ 69,116	\$ 9,289	\$ 12,058

PORTER COUNTY EDUCATION SERVICES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Tech Prep	Adult and Continuing Education	School Technology	Juvenile Detention	Professional Rights Responsibilities	County Wide Inservice	Preschool 2010-11	Preschool 2011-12	Perkins 2010-11
Cash and investments - beginning	\$ (22,603)	\$ 580,475	\$ 118,054	\$ 14,998	\$ 3,779	\$ 9,971	\$ (4,448)	\$ -	\$ (43,560)
Receipts:									
Local sources	-	-	52,438	859	-	3,000	-	-	-
Intermediate sources	-	-	-	14,139	-	-	-	-	-
State sources	-	448,508	-	-	-	-	-	-	43,560
Federal sources	25,190	-	-	-	-	-	4,448	110,275	23,156
Other	-	-	-	-	-	-	-	-	-
Total receipts	25,190	448,508	52,438	14,998	-	3,000	4,448	110,275	66,716
Disbursements:									
Current:									
Instruction	2,587	1,028,983	-	14,998	-	-	-	112,469	23,156
Support services	-	-	20,636	-	6,230	5,700	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,587	1,028,983	20,636	14,998	6,230	5,700	-	112,469	23,156
Excess (deficiency) of receipts over disbursements	22,603	(580,475)	31,802	-	(6,230)	(2,700)	4,448	(2,194)	43,560
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	5,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	5,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,603	(580,475)	31,802	-	(1,230)	(2,700)	4,448	(2,194)	43,560
Cash and investments - ending	\$ -	\$ -	\$ 149,856	\$ 14,998	\$ 2,549	\$ 7,271	\$ -	\$ (2,194)	\$ -

PORTER COUNTY EDUCATION SERVICES
 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 2011-12	IDEA Part B 2009-10	IDEA Part B 2010-11	IDEA Part B 2011-12	Special Education Part B Stimulus	Special Education Part B Preschool Stimulus	Payroll Withholdings Clearing	Totals
Cash and investments - beginning	\$ -	\$ (60,319)	\$ (319,201)	\$ -	\$ (870,656)	\$ (112,946)	\$ 80,628	\$ 6,810,108
Receipts:								
Local sources	-	-	-	-	-	-	-	18,291,049
Intermediate sources	-	-	-	-	-	-	-	14,139
State sources	-	-	-	-	-	-	-	904,888
Federal sources	230,563	158,860	1,144,553	4,310,696	1,850,984	122,958	-	8,181,105
Other	-	-	-	-	-	-	4,331,725	4,331,725
Total receipts	<u>230,563</u>	<u>158,860</u>	<u>1,144,553</u>	<u>4,310,696</u>	<u>1,850,984</u>	<u>122,958</u>	<u>4,331,725</u>	<u>31,722,906</u>
Disbursements:								
Current:								
Instruction	117,188	98,541	610,550	3,330,779	877,735	10,012	-	19,540,406
Support services	149,884	-	269,195	1,260,534	100,098	-	-	6,833,150
Noninstructional services	-	-	-	-	-	-	-	12,651
Facilities acquisition and construction	-	-	-	-	2,495	-	-	236,311
Debt services	-	-	-	-	-	-	-	102,955
Nonprogrammed charges	-	-	-	-	-	-	4,396,159	4,410,577
Total disbursements	<u>267,072</u>	<u>98,541</u>	<u>879,745</u>	<u>4,591,313</u>	<u>980,328</u>	<u>10,012</u>	<u>4,396,159</u>	<u>31,136,050</u>
Excess (deficiency) of receipts over disbursements	<u>(36,509)</u>	<u>60,319</u>	<u>264,808</u>	<u>(280,617)</u>	<u>870,656</u>	<u>112,946</u>	<u>(64,434)</u>	<u>586,856</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	102,955
Transfers in	-	-	-	-	-	-	-	5,000
Transfers out	-	-	-	-	-	-	-	(5,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,955</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(36,509)</u>	<u>60,319</u>	<u>264,808</u>	<u>(280,617)</u>	<u>870,656</u>	<u>112,946</u>	<u>(64,434)</u>	<u>689,811</u>
Cash and investments - ending	<u>\$ (36,509)</u>	<u>\$ -</u>	<u>\$ (54,393)</u>	<u>\$ (280,617)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,194</u>	<u>\$ 7,499,919</u>

PORTER COUNTY EDUCATION SERVICES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	Capital Projects	General Fund	Vocational Cooperative	Transfer Vocational Tuition	Transfer Alternative Tuition	Vocational Accum Fund	Summer School
Cash and investments - beginning	\$ 1,342,351	\$ 4,358,260	\$ 81,012	\$ 1,762,388	\$ 48,290	\$ 69,116	\$ 9,289
Receipts:							
Local sources	479,748	12,169,541	561,740	4,035,238	796,785	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	394,265	-	-	-	-	14,617
Federal sources	-	69,873	(40,137)	-	-	-	-
Other	-	106	-	-	-	-	-
Total receipts	<u>479,748</u>	<u>12,633,785</u>	<u>521,603</u>	<u>4,035,238</u>	<u>796,785</u>	<u>-</u>	<u>14,617</u>
Disbursements:							
Current:							
Instruction	-	8,566,375	479,204	3,825,213	742,459	-	17,128
Support services	-	4,902,961	59,567	863	-	-	54
Noninstructional services	-	9,772	-	-	-	-	-
Facilities acquisition and construction	103,952	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>103,952</u>	<u>13,479,108</u>	<u>538,771</u>	<u>3,826,076</u>	<u>742,459</u>	<u>-</u>	<u>17,182</u>
Excess (deficiency) of receipts over disbursements	<u>375,796</u>	<u>(845,323)</u>	<u>(17,168)</u>	<u>209,162</u>	<u>54,326</u>	<u>-</u>	<u>(2,565)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(7,500)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(7,500)</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>375,796</u>	<u>(852,823)</u>	<u>(17,168)</u>	<u>209,162</u>	<u>54,326</u>	<u>-</u>	<u>(2,565)</u>
Cash and investments - ending	<u>\$ 1,718,147</u>	<u>\$ 3,505,437</u>	<u>\$ 63,844</u>	<u>\$ 1,971,550</u>	<u>\$ 102,616</u>	<u>\$ 69,116</u>	<u>\$ 6,724</u>

PORTER COUNTY EDUCATION SERVICES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Trust Wellness Grant	School Technology	Juvenile Detention	Professional Rights Responsibilities	County Wide Inservice	Preschool 2011-12	Preschool 2012-13
Cash and investments - beginning	\$ 12,058	\$ 149,856	\$ 14,998	\$ 2,549	\$ 7,271	\$ (2,194)	\$ -
Receipts:							
Local sources	10,350	51,062	-	-	5,511	-	-
Intermediate sources	-	-	14,998	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	2,194	147,151
Other	-	-	-	-	-	-	-
Total receipts	<u>10,350</u>	<u>51,062</u>	<u>14,998</u>	<u>-</u>	<u>5,511</u>	<u>2,194</u>	<u>147,151</u>
Disbursements:							
Current:							
Instruction	-	-	14,998	-	-	-	147,151
Support services	-	28,734	-	7,314	5,792	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Nonprogrammed charges	16,948	-	-	-	-	-	-
Total disbursements	<u>16,948</u>	<u>28,734</u>	<u>14,998</u>	<u>7,314</u>	<u>5,792</u>	<u>-</u>	<u>147,151</u>
Excess (deficiency) of receipts over disbursements	<u>(6,598)</u>	<u>22,328</u>	<u>-</u>	<u>(7,314)</u>	<u>(281)</u>	<u>2,194</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	7,500	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,598)</u>	<u>22,328</u>	<u>-</u>	<u>186</u>	<u>(281)</u>	<u>2,194</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,460</u>	<u>\$ 172,184</u>	<u>\$ 14,998</u>	<u>\$ 2,735</u>	<u>\$ 6,990</u>	<u>\$ -</u>	<u>\$ -</u>

PORTER COUNTY EDUCATION SERVICES
 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 2012-13	Perkins 2011-12	IDEA Part B 2010-11	IDEA Part B 2011-12	IDEA Part B 2012-13	Payroll Withholdings Clearing	Totals
Cash and investments - beginning	\$ -	\$ (36,509)	\$ (54,393)	\$ (280,617)	\$ -	\$ 16,194	\$ 7,499,919
Receipts:							
Local sources	-	-	-	-	-	-	18,109,975
Intermediate sources	-	-	-	-	-	-	14,998
State sources	-	-	-	-	-	-	408,882
Federal sources	244,174	43,367	54,393	1,208,657	4,449,336	-	6,179,008
Other	-	-	-	-	-	4,492,494	4,492,600
Total receipts	<u>244,174</u>	<u>43,367</u>	<u>54,393</u>	<u>1,208,657</u>	<u>4,449,336</u>	<u>4,492,494</u>	<u>29,205,463</u>
Disbursements:							
Current:							
Instruction	155,427	6,858	-	601,067	3,338,410	-	17,894,290
Support services	152,834	-	-	249,640	1,314,322	-	6,722,081
Noninstructional services	-	-	-	114,372	40,089	-	164,233
Facilities acquisition and construction	-	-	-	-	-	-	103,952
Nonprogrammed charges	-	-	-	-	-	4,457,031	4,473,979
Total disbursements	<u>308,261</u>	<u>6,858</u>	<u>-</u>	<u>965,079</u>	<u>4,692,821</u>	<u>4,457,031</u>	<u>29,358,535</u>
Excess (deficiency) of receipts over disbursements	<u>(64,087)</u>	<u>36,509</u>	<u>54,393</u>	<u>243,578</u>	<u>(243,485)</u>	<u>35,463</u>	<u>(153,072)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	7,500
Transfers out	-	-	-	-	-	-	(7,500)
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>(64,087)</u>	<u>36,509</u>	<u>54,393</u>	<u>243,578</u>	<u>(243,485)</u>	<u>35,463</u>	<u>(153,072)</u>
Cash and investments - ending	<u>\$ (64,087)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,039)</u>	<u>\$ (243,485)</u>	<u>\$ 51,657</u>	<u>\$ 7,346,847</u>

PORTER COUNTY EDUCATION SERVICES
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

School Corporation	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 37,470</u>	<u>\$ 391,465</u>

PORTER COUNTY EDUCATION SERVICES
 SCHEDULE OF LEASES AND DEBT
 June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Pitney Bowes	DM400 Digital Mailing System	\$ 2,244	08-25-09	08-24-14
Pitney Bowes	DM100 Digital Mailing System	468	05-29-10	05-28-15
XEROX	XEROX Phaser 3635MFP	991	11-01-09	10-31-14
Ricoh USA, Inc.	Six copiers	<u>22,100</u>	09-28-09	04-27-15
Total of annual lease payments		<u>\$ 25,803</u>		

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PORTER COUNTY EDUCATION SERVICES
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:	
Building	\$ 4,428,350
Storage building	21,323
Improvements	1,156,109
Machinery & equipment	<u>670,686</u>
Total capital assets	<u>\$ 6,276,468</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE PORTER COUNTY EDUCATION SERVICES, PORTER COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Porter County Education Services' (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)

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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

May 28, 2014

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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.

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PORTER COUNTY EDUCATION SERVICES
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>U.S. DEPARTMENT OF EDUCATION</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
FY10			14210-050-PN01	\$ 98,541	\$ -
FY11			14211-050-PN01	825,329	54,507
FY12			14212-050-PN01	4,310,696	1,208,656
FY13			14213-050-PN01	-	4,449,336
				<u>5,234,566</u>	<u>5,712,499</u>
Total - Special Education - Grants to States					
Special Education - Preschool Grants	Indiana Department of Education	84.173			
FY12			45712-050-PN01	110,275	2,194
FY13			45713-050-PN01	-	147,151
				<u>110,275</u>	<u>149,345</u>
Total - Special Education - Preschool Grants					
ARRA - Special Education - Grants to States, Recovery Act	Indiana Department of Education	84.391	33310-050-SN01	980,328	-
ARRA - Special Education - Preschool Grants, Recovery Act	Indiana Department of Education	84.392	44410-050-SN01	10,012	-
				<u>6,335,181</u>	<u>5,861,844</u>
Total - Special Education Cluster (IDEA)					
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048			
FY11			11-6200-6455	23,156	-
FY12			12-6200-6455	230,563	43,367
FY13			13-6200-6455	-	244,174
				<u>253,719</u>	<u>287,541</u>
Total - Career and Technical Education - Basic Grants to States					
Projects with Industry	Indiana Department of Education	84.234			
Indiana Tech Prep Grant			FY11	25,190	-
Tech-Prep Education	Indiana Department of Education	84.243			
			FY13	-	14,832
				<u>6,614,090</u>	<u>6,164,217</u>
Total - Department of Education					
<u>U.S. SOCIAL SECURITY ADMINISTRATION</u>					
Disability Insurance/SSI Cluster	Direct Grant	96.001			
Social Security - Disability Insurance			FY12	2,534	-
			FY13	-	3,206
				<u>2,534</u>	<u>3,206</u>
Total - Disability Insurance/SSI Cluster					
Total federal awards expended				<u>\$ 6,616,624</u>	<u>\$ 6,167,423</u>

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

PORTER COUNTY EDUCATION SERVICES
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 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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2012 and 2013:

Program Title	Federal CFDA Number	2012	2013
ARRA - Special Education - Grants to States, Recovery Act	84.391	\$ 849,694	\$ -
Tech-Prep Education	84.243	-	14,832

PORTER COUNTY EDUCATION SERVICES
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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
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?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.048	Special Education Cluster (IDEA) Career and Technical Education – Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs: \$383,521

Auditee qualified as low-risk auditee?	no
--	----

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2011-1, EQUIPMENT MANAGEMENT, ARRA SPECIAL EDUCATION

Original SBA Audit Report Number: B40077

Fiscal Year: July 1, 2009 to June 30, 2011

Auditee Contact Person: Quinnlyn Van Rys, *Quinnlyn Van Rys*

Title of Contact Person: Chief Financial Officer

Phone Number: (219) 464-9607

Status of Finding:

Porter County Education Services has identified fixed assets and equipment purchased with federal ARRA Special Education funds. The ARRA grant was a one time award and all dollars associated with this grant were fully expended. This grant period has long since passed and there is no future relevance since this award of funds is not ongoing. We have; however, designed templates and established monitoring procedures to ensure accurate records are maintained for all future federal equipment purchases as required by Federal guidelines and requirements.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2011-2, SUBRECCIPIENT MONITORING, ARRA SPECIAL EDUCATION EQUIPMENT

Original SBA Audit Report Number: B40077

Fiscal Year: July 1, 2009 to June 30, 2011

Auditee Contact Person: Quinnlyn Van Rys, *Quinnlyn Van Rys*

Title of Contact Person: Chief Financial Officer

Phone Number: (219) 464-9607

Status of Finding:

Porter County Education Services has identified fixed assets and equipment located at member schools purchased with federal ARRA Special Education funds. The ARRA grant was a one time award and all dollars associated with this grant were fully expended. This grant period has long since passed and there is no future relevance since this award of funds is not ongoing. We have; however, designed templates and established monitoring procedures to ensure accurate records are maintained for all future federal equipment purchases as required by Federal guidelines and requirements.

PORTER COUNTY EDUCATION SERVICES
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2014, with Dr. Rod Gardin, President of the Board of Directors; Diane Massa, Executive Director; and Ruth Kenny, Treasurer. Our audit disclosed no material items that warrant comment at this time.