

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
WAYNE COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
09/25/2015



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tyna M. Stover	01-01-12 to 12-31-15
Superintendent of Schools	Philip S. Stevenson	07-01-11 to 06-30-17
President of the School Board	Timothy A. Eadler Bradley J. Lambright	01-01-13 to 12-31-13 01-01-14 to 12-31-15



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE CENTERVILLE-ABINGTON  
COMMUNITY SCHOOLS, WAYNE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Centerville-Abington Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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, 2012 to June 30, 2014.

***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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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.


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated August 11, 2015, 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.

  
Paul D. Joyce, CPA  
State Examiner

August 11, 2015



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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 CENTERVILLE-ABINGTON  
COMMUNITY SCHOOLS, WAYNE 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 Centerville-Abington Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated August 11, 2015, 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 2014-001 to be material weaknesses.



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

**Compliance and Other Matters**

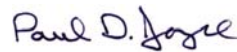
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

**Centerville-Abington Community Schools' 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

August 11, 2015

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#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 594,330	\$ 10,000,640	\$ 9,707,288	\$ 7,599	\$ 895,281	\$ 10,595,244	\$ 10,577,057	\$ 3,685	\$ 917,153
Debt Service	806,280	1,718,941	1,717,100	-	808,121	1,975,472	1,812,271	(179,398)	791,924
Retirement/Severance Bond Debt Service	52,471	152,977	80,325	(74,083)	51,040	126,441	154,075	65,304	88,710
Capital Projects	390,308	865,256	852,535	74,083	477,112	847,332	821,154	7,710	511,000
School Transportation	231,782	892,659	811,616	21,322	334,147	826,949	848,135	88,873	401,834
School Bus Replacement	76,899	132,480	166,094	-	43,285	162,909	165,038	17,511	58,667
Rainy Day	980,790	-	482,683	282,063	780,170	104,714	391,613	-	493,271
CSL Construction	8,478	-	37,138	28,660	-	-	77,063	77,063	-
School Lunch	264,715	703,746	672,944	-	295,517	716,604	719,350	-	292,771
Textbook Rental	225,445	200,114	239,982	-	185,577	212,358	314,987	-	82,948
Levy Excess	21,322	-	-	(21,322)	-	-	-	-	-
Educational License Plates	319	169	-	-	488	93	-	-	581
Alternative Education	9,495	4,352	13,847	-	-	5,584	5,584	-	-
Early Intervention Grant Fund #1930	2,240	-	2,240	-	-	-	-	-	-
Early Intervention Grant Fund #1931	-	9,740	9,740	-	-	-	-	-	-
Gifts & Donations	888	1,010	947	-	951	1,510	716	-	1,745
Cape Grant LIT Collab	867	-	867	-	-	-	-	-	-
Instruction Support	1,021	-	1,021	-	-	31,916	26,469	-	5,447
High Ability	-	32,166	28,442	-	3,724	-	3,724	-	-
Education Technology	14,649	14,446	287,070	258,077	102	2,500	315,751	318,243	5,094
Non-English Speaking Programs P.L. 273-1999	1,297	-	-	-	1,297	-	-	-	1,297
School Technology	5,352	16,393	20,895	-	850	23,295	21,061	-	3,084
Title I Fund #4100	(112,991)	112,991	-	-	-	186,854	235,262	48,408	-
Title I Fund #4110	-	240,181	326,753	52,389	(34,183)	57,899	23,716	-	-
12-13 CFR Spec Ed Part B	-	208,879	251,667	-	(42,788)	66,949	24,161	-	-
13-14 CFR Spec Ed Part B	-	-	-	-	-	260,276	260,276	-	-
11-12 CFR Spec Ed	(148,984)	178,780	29,796	-	-	-	-	-	-
Spec Ed Tech Asst Grant	-	-	-	-	-	8,293	8,293	-	-
12-13 CFR Preschool	-	13,260	13,355	-	(95)	95	-	-	-
13-14 CFR Spec Ed Preschool	-	-	-	-	-	12,893	12,893	-	-
Medicaid Reimbursement - Federal	10,664	18,876	2,361	(7,599)	19,580	11,552	9,095	(3,685)	18,352
Improving Teaching Quality, No Child Left, Title II, Part A Fund #6840	-	52,389	-	(52,389)	-	48,408	-	(48,408)	-
Improving Teaching Quality, No Child Left, Title II, Part A Fund #6841	(19,322)	23,719	4,397	-	-	-	-	-	-
Education Jobs	-	6,355	6,355	-	-	-	-	-	-
Payroll Withholding Corp	62,639	2,383,017	2,393,448	-	52,208	2,712,733	2,748,750	-	16,191
Payroll Withholding Caf�	-	359,821	358,955	-	866	359,663	359,241	-	1,288
Totals	\$ 3,480,954	\$ 18,343,357	\$ 18,519,861	\$ 568,800	\$ 3,873,250	\$ 19,358,536	\$ 19,935,735	\$ 395,306	\$ 3,691,357

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

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
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 may 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.

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
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.

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 may 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.

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.

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other Financing Sources and Uses*

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



CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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 a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**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 as reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013.

**Note 8. Subsequent Events**

The School Corporation has accepted a bid from R.L. Turner in the amount of \$2,970,000 for the reconstruction on Rose Hamilton Elementary School.

#### OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the 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 other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
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	CSL Construction
Cash and investments - beginning	\$ 594,330	\$ 806,280	\$ 52,471	\$ 390,308	\$ 231,782	\$ 76,899	\$ 980,790	\$ 8,478
Receipts:								
Local sources	298,820	1,718,941	152,977	855,635	892,659	132,480	-	-
Intermediate sources	23	-	-	-	-	-	-	-
State sources	9,701,797	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	9,621	-	-	-	-
Total receipts	10,000,640	1,718,941	152,977	865,256	892,659	132,480	-	-
Disbursements:								
Current:								
Instruction	6,652,659	-	-	-	-	-	-	-
Support services	2,671,059	-	-	626,311	811,616	166,094	215,020	-
Noninstructional services	354,772	-	-	-	-	-	-	-
Facilities acquisition and construction	28,798	-	-	226,224	-	-	267,663	37,138
Debt services	-	1,717,100	80,325	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	9,707,288	1,717,100	80,325	852,535	811,616	166,094	482,683	37,138
Excess (deficiency) of receipts over disbursements	293,352	1,841	72,652	12,721	81,043	(33,614)	(482,683)	(37,138)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	310,723
Transfers in	7,599	-	-	74,083	21,322	-	282,063	-
Transfers out	-	-	(74,083)	-	-	-	-	(282,063)
Total other financing sources (uses)	7,599	-	(74,083)	74,083	21,322	-	282,063	28,660
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	300,951	1,841	(1,431)	86,804	102,365	(33,614)	(200,620)	(8,478)
Cash and investments - ending	\$ 895,281	\$ 808,121	\$ 51,040	\$ 477,112	\$ 334,147	\$ 43,285	\$ 780,170	\$ -

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

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant Fund #1930	Early Intervention Grant Fund #1931	Gifts & Donations
Cash and investments - beginning	\$ 264,715	\$ 225,445	\$ 21,322	\$ 319	\$ 9,495	\$ 2,240	\$ -	\$ 888
Receipts:								
Local sources	313,923	148,630	-	-	-	-	-	1,010
Intermediate sources	-	-	-	169	-	-	-	-
State sources	9,070	51,484	-	-	4,352	-	9,740	-
Federal sources	380,753	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	703,746	200,114	-	169	4,352	-	9,740	1,010
Disbursements:								
Current:								
Instruction	-	-	-	-	13,847	2,240	9,740	-
Support services	916	239,982	-	-	-	-	-	947
Noninstructional services	670,217	-	-	-	-	-	-	-
Facilities acquisition and construction	1,811	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	672,944	239,982	-	-	13,847	2,240	9,740	947
Excess (deficiency) of receipts over disbursements	30,802	(39,868)	-	169	(9,495)	(2,240)	-	63
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(21,322)	-	-	-	-	-
Total other financing sources (uses)	-	-	(21,322)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,802	(39,868)	(21,322)	169	(9,495)	(2,240)	-	63
Cash and investments - ending	\$ 295,517	\$ 185,577	\$ -	\$ 488	\$ -	\$ -	\$ -	\$ 951

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

	Cape Grant LIT Collab	Instruction Support	High Ability	Education Technology	Non-English Speaking Programs P.L. 273-1999	School Technology	Title I Fund #4100
Cash and investments - beginning	\$ 867	\$ 1,021	\$ -	\$ 14,649	\$ 1,297	\$ 5,352	\$ (112,991)
Receipts:							
Local sources	-	-	-	14,446	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	32,166	-	-	16,393	-
Federal sources	-	-	-	-	-	-	112,991
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	32,166	14,446	-	16,393	112,991
Disbursements:							
Current:							
Instruction	867	1,021	28,442	-	-	-	-
Support services	-	-	-	287,070	-	20,895	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	867	1,021	28,442	287,070	-	20,895	-
Excess (deficiency) of receipts over disbursements	(867)	(1,021)	3,724	(272,624)	-	(4,502)	112,991
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	258,077	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	258,077	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(867)	(1,021)	3,724	(14,547)	-	(4,502)	112,991
Cash and investments - ending	\$ -	\$ -	\$ 3,724	\$ 102	\$ 1,297	\$ 850	\$ -

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
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 Fund #4110	12-13 CFR Spec Ed Part B	13-14 CFR Spec Ed Part B	11-12 CFR Spec Ed	Spec Ed Tech Asst Grant	12-13 CFR Preschool	13-14 CFR Spec Ed Preschool
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (148,984)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	208,879	-	178,780	-	13,260	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	240,181	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	240,181	208,879	-	178,780	-	13,260	-
Disbursements:							
Current:							
Instruction	268,072	249,781	-	29,336	-	-	-
Support services	57,681	1,886	-	460	-	13,355	-
Noninstructional services	1,000	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	326,753	251,667	-	29,796	-	13,355	-
Excess (deficiency) of receipts over disbursements	(86,572)	(42,788)	-	148,984	-	(95)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	52,389	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	52,389	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,183)	(42,788)	-	148,984	-	(95)	-
Cash and investments - ending	<u>\$ (34,183)</u>	<u>\$ (42,788)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (95)</u>	<u>\$ -</u>

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

	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A Fund #6840	Improving Teaching Quality, No Child Left, Title II Part A Fund #6841	Education Jobs	Payroll Withholding Corp	Payroll Withholding Café	Totals
Cash and investments - beginning	\$ 10,664	\$ -	\$ (19,322)	\$ -	\$ 62,639	\$ -	\$ 3,480,954
Receipts:							
Local sources	-	-	-	-	-	-	4,930,440
Intermediate sources	-	-	-	-	-	-	192
State sources	-	-	-	-	-	-	9,825,002
Federal sources	18,876	52,389	23,719	6,355	-	-	835,264
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	2,383,017	359,821	2,752,459
Total receipts	18,876	52,389	23,719	6,355	2,383,017	359,821	18,343,357
Disbursements:							
Current:							
Instruction	1,461	-	-	6,355	-	-	7,263,821
Support services	900	-	4,397	-	-	-	5,118,589
Noninstructional services	-	-	-	-	-	-	1,025,989
Facilities acquisition and construction	-	-	-	-	-	-	561,634
Debt services	-	-	-	-	-	-	1,797,425
Nonprogrammed charges	-	-	-	-	2,393,448	358,955	2,752,403
Interfund loans	-	-	-	-	-	-	-
Total disbursements	2,361	-	4,397	6,355	2,393,448	358,955	18,519,861
Excess (deficiency) of receipts over disbursements	16,515	52,389	19,322	-	(10,431)	866	(176,504)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	568,800
Transfers in	-	-	-	-	-	-	437,456
Transfers out	(7,599)	(52,389)	-	-	-	-	(437,456)
Total other financing sources (uses)	(7,599)	(52,389)	-	-	-	-	568,800
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,916	-	19,322	-	(10,431)	866	392,296
Cash and investments - ending	\$ 19,580	\$ -	\$ -	\$ -	\$ 52,208	\$ 866	\$ 3,873,250



CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	CSL Construction
Cash and investments - beginning	\$ 895,281	\$ 808,121	\$ 51,040	\$ 477,112	\$ 334,147	\$ 43,285	\$ 780,170	\$ -
Receipts:								
Local sources	268,341	1,975,472	126,441	847,332	826,949	162,909	104,714	-
Intermediate sources	18	-	-	-	-	-	-	-
State sources	10,326,885	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	10,595,244	1,975,472	126,441	847,332	826,949	162,909	104,714	-
Disbursements:								
Current:								
Instruction	7,059,390	-	-	-	-	-	-	-
Support services	3,139,631	-	-	604,114	848,135	165,038	16,979	-
Noninstructional services	368,160	-	-	-	-	-	-	-
Facilities acquisition and construction	9,876	-	-	217,040	-	-	160,676	77,063
Debt services	-	1,812,271	154,075	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	213,958	-
Total disbursements	10,577,057	1,812,271	154,075	821,154	848,135	165,038	391,613	77,063
Excess (deficiency) of receipts over disbursements	18,187	163,201	(27,634)	26,178	(21,186)	(2,129)	(286,899)	(77,063)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	77,063
Transfers in	3,685	-	74,083	81,793	88,873	17,511	-	-
Transfers out	-	(179,398)	(8,779)	(74,083)	-	-	-	-
Total other financing sources (uses)	3,685	(179,398)	65,304	7,710	88,873	17,511	-	77,063
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,872	(16,197)	37,670	33,888	67,687	15,382	(286,899)	-
Cash and investments - ending	\$ 917,153	\$ 791,924	\$ 88,710	\$ 511,000	\$ 401,834	\$ 58,667	\$ 493,271	\$ -

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant Fund #1930	Early Intervention Grant Fund #1931	Gifts & Donations
Cash and investments - beginning	\$ 295,517	\$ 185,577	\$ -	\$ 488	\$ -	\$ -	\$ -	\$ 951
Receipts:								
Local sources	312,097	156,987	-	-	-	-	-	1,510
Intermediate sources	-	-	-	93	-	-	-	-
State sources	8,635	55,371	-	-	5,584	-	-	-
Federal sources	395,872	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	716,604	212,358	-	93	5,584	-	-	1,510
Disbursements:								
Current:								
Instruction	-	-	-	-	5,584	-	-	-
Support services	13,193	314,987	-	-	-	-	-	673
Noninstructional services	698,283	-	-	-	-	-	-	43
Facilities acquisition and construction	7,874	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	719,350	314,987	-	-	5,584	-	-	716
Excess (deficiency) of receipts over disbursements	(2,746)	(102,629)	-	93	-	-	-	794
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,746)	(102,629)	-	93	-	-	-	794
Cash and investments - ending	\$ 292,771	\$ 82,948	\$ -	\$ 581	\$ -	\$ -	\$ -	\$ 1,745

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Cape Grant LIT Collab	Instruction Support	High Ability	Education Technology	Non-English Speaking Programs P.L. 273-1999	School Technology	Title I Fund #4100
Cash and investments - beginning	\$ -	\$ -	\$ 3,724	\$ 102	\$ 1,297	\$ 850	\$ -
Receipts:							
Local sources	-	-	-	2,500	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	31,916	-	-	-	23,295	-
Federal sources	-	-	-	-	-	-	89,938
Interfund loans	-	-	-	-	-	-	96,916
Other	-	-	-	-	-	-	-
Total receipts	-	31,916	-	2,500	-	23,295	186,854
Disbursements:							
Current:							
Instruction	-	26,469	3,724	-	-	-	232,679
Support services	-	-	-	315,751	-	21,061	2,258
Noninstructional services	-	-	-	-	-	-	325
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	26,469	3,724	315,751	-	21,061	235,262
Excess (deficiency) of receipts over disbursements	-	5,447	(3,724)	(313,251)	-	2,234	(48,408)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	318,243	-	-	-
Transfers in	-	-	-	-	-	-	48,408
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	318,243	-	-	48,408
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,447	(3,724)	4,992	-	2,234	-
Cash and investments - ending	\$ -	\$ 5,447	\$ -	\$ 5,094	\$ 1,297	\$ 3,084	\$ -

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Title I Fund #4110	12-13 CFR Spec Ed Part B	13-14 CFR Spec Ed Part B	11-12 CFR Spec Ed	Spec Ed Tech Asst Grant	12-13 CFR Preschool	13-14 CFR Spec Ed Preschool
Cash and investments - beginning	\$ (34,183)	\$ (42,788)	\$ -	\$ -	\$ -	\$ (95)	\$ -
Receipts:							
Local sources	-	66,949	150,015	-	7,512	95	6,891
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	57,899	-	-	-	-	-	-
Interfund loans	-	-	110,261	-	781	-	6,002
Other	-	-	-	-	-	-	-
Total receipts	57,899	66,949	260,276	-	8,293	95	12,893
Disbursements:							
Current:							
Instruction	23,716	23,952	258,004	-	8,293	-	12,893
Support services	-	209	2,272	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	23,716	24,161	260,276	-	8,293	-	12,893
Excess (deficiency) of receipts over disbursements	34,183	42,788	-	-	-	95	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,183	42,788	-	-	-	95	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2014  
(Continued)

	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A Fund #6840	Improving Teaching Quality, No Child Left, Title II Part A Fund #6841	Education Jobs	Payroll Withholding Corp	Payroll Withholding Café	Totals
Cash and investments - beginning	\$ 19,580	\$ -	\$ -	\$ -	\$ 52,208	\$ 866	\$ 3,873,250
Receipts:							
Local sources	-	-	-	-	-	-	5,016,714
Intermediate sources	-	-	-	-	-	-	111
State sources	-	-	-	-	-	-	10,451,686
Federal sources	11,552	48,408	-	-	-	-	603,669
Interfund loans	-	-	-	-	-	-	213,960
Other	-	-	-	-	2,712,733	359,663	3,072,396
Total receipts	11,552	48,408	-	-	2,712,733	359,663	19,358,536
Disbursements:							
Current:							
Instruction	2,294	-	-	-	-	-	7,656,998
Support services	6,801	-	-	-	-	-	5,451,102
Noninstructional services	-	-	-	-	-	-	1,066,811
Facilities acquisition and construction	-	-	-	-	-	-	472,529
Debt services	-	-	-	-	-	-	1,966,346
Nonprogrammed charges	-	-	-	-	2,748,750	359,241	3,107,991
Interfund loans	-	-	-	-	-	-	213,958
Total disbursements	9,095	-	-	-	2,748,750	359,241	19,935,735
Excess (deficiency) of receipts over disbursements	2,457	48,408	-	-	(36,017)	422	(577,199)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	395,306
Transfers in	-	-	-	-	-	-	314,353
Transfers out	(3,685)	(48,408)	-	-	-	-	(314,353)
Total other financing sources (uses)	(3,685)	(48,408)	-	-	-	-	395,306
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,228)	-	-	-	(36,017)	422	(181,893)
Cash and investments - ending	\$ 18,352	\$ -	\$ -	\$ -	\$ 16,191	\$ 1,288	\$ 3,691,357

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
SCHEDULE OF PAYABLES  
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>
Governmental activities	<u>\$ 460,759</u>

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
CrossRoads Bank	Lease Purchase of Equipment	\$ 59,410	02/05/14	08/05/18
Regions Bank	Lease Purchase of Equipment	<u>30,818</u>	08/06/09	08/06/14
Total of annual lease payments		<u>\$ 90,228</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement/Severance Bonds	\$ 735,000	\$ 158,375
Notes and loans payable	Technology & Construction Common School Loans	<u>10,619,360</u>	<u>1,733,138</u>
Totals		<u>\$ 11,354,360</u>	<u>\$ 1,891,513</u>

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CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 267,309
Buildings	21,992,750
Improvements other than buildings	1,495,546
Machinery, equipment, and vehicles	<u>3,268,450</u>
Total governmental activities	<u>27,024,054</u>
Total capital assets	<u><u>\$ 27,024,054</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CENTERVILLE-ABINGTON  
COMMUNITY SCHOOLS, WAYNE COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Centerville-Abington Community Schools' (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, 2012 to June 30, 2014. 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, 2012 to June 30, 2014.

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 2014-002. 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 a material weakness.

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 item 2014-002 to be a material weakness.

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

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

  
Paul D. Joyce, CPA  
State Examiner

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014

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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY12-13	\$ 68,091	\$ -
			FY13-14	-	59,016
Total for Program				68,091	59,016
National School Lunch Program	Indiana Department of Education	10.555			
			FY12-13	366,328	-
			FY13-14	-	399,455
Total for Program				366,328	399,455
Total - Child Nutrition Cluster				434,419	458,471
Total - Department of Agriculture				434,419	458,471
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			12-8360	112,991	-
			13-8360	237,290	57,899
			14-8360	-	138,346
Total - Title I, Part A Cluster				350,281	196,245
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
			14212-071-PN01	178,556	-
			14213-071-PN01	313,782	66,949
			14214-071-PN01	-	249,247
			99914-071-TA01	-	7,513
Total for Program				492,338	323,709
Special Education_Preschool Grants	Indiana Department of Education	84.173			
			45712-071-PN01	224	-
			45713-071-PN01	13,260	95
			45714-071-PN01	-	6,891
Total for Program				13,484	6,986
Total - Special Education Cluster (IDEA)				505,822	330,695
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			11-8360	23,719	-
Education Jobs Fund	Indiana Department of Education	84.410			
			A410A100015	6,355	-
Total - Department of Education				886,177	526,940
Total federal awards expended				\$ 1,320,596	\$ 985,411

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

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
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 5-11-1-25), 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, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
Child Nutrition Cluster: Food Commodities: National School Lunch Program	10.555	\$ 54,074	\$ 62,587

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
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:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title I, Part A Cluster

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 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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 Treasurer prepared and submitted the SEFA through the Gateway system. However, there was no additional oversight of the SEFA information. 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 that a data entry error made when reporting the federal schedule caused amounts for all grants to be omitted on the SEFA for FY 2013/2014. Audit adjustments of \$985,411 for FY 2013/2014 were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of 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)

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."

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2014-002 - CASH MANAGEMENT***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program and National School Lunch Program

CFDA Number: 10.553 and 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2013 and FY2014

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 the following compliance requirement: Cash Management. 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 programs.

The School Corporation Food Service Department maintains a cash balance in excess of federal regulations. The average three month expenditures of the School Corporation for the school lunch program for fiscal years 2013 and 2014 were \$201,883 and \$215,805, respectively. The month-end cash balances from the two year audit period ranged from \$249,558 to \$295,376.

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."

7 CFR 210.14(b) states:

"The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State Agency . . ."

The cash balance maintained by the School Corporation results in noncompliance with program requirements that they must operate a nonprofit school food service and limit net cash resource. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal reimbursements.

We recommended that School Corporation officials establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above and implement procedures that would limit net cash resources to 3 months' average expenditures and to ensure that its school food service program is operated as a nonprofit service.

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#### AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

# CENTERVILLE-ABINGTON COMMUNITY SCHOOLS



115 West South St., Centerville, Indiana 47330  
Phone: (765) 855-3475 Fax: (765) 855-2524

## CORRECTIVE ACTION PLAN

### ***FINDING 2014-001 – PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

Contact Person Responsible for Corrective Action:  
Tyna Stover, Corporation Treasurer

Contact Phone Number: 765-855-3475

Description of Corrective Action Plan: The data entry error on the Schedule of Expenditures of Federal Awards (SEFA) was due to misunderstanding of the mechanics of the report. After receiving clarification of the data flow, data entry will be correct on the SEFA. To ensure accuracy the SEFA will be verified by the Deputy Treasurer and Superintendent.

Anticipated Completion Date: August 29, 2015 and each subsequent year with the preparation of the SEFA.

### ***FINDING 2014-002 – CASH MANAGEMENT***

Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program and National School Lunch Program  
CFDA Number: 10.553 and 10.555  
Federal Award Number and Year: FY 2013 and FY2014  
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action:  
Mark Campbell, Assistant Superintendent

Contact Phone Number: 765-855-3475

Description of Corrective Action Plan: Centerville-Abington Community Schools, in accordance with the checks and balances, will continue a quarterly review and report to the Board of Trustees and implement a plan of action whenever the balances of the three-month average is projected to exceed or does exceed the three-month average of expenditures. Based upon the July 31, 2015 fund balance of \$252,454.22, the Corporation has drawn down \$35,765.11 from the fund in school year 2014-2015 (\$288,210.33 balance on August 1, 2014). The start-up expenditures for school year 2015-2016 is projected to draw down the fund below the three-month



A District Accredited School Corporation Since 2007



average. Any excess funds will be used to update kitchen equipment at the Junior High and Rose Hamilton Elementary to ensure operational efficiency.

Anticipated Completion Date: Mark Campbell will be doing quarterly reports and recommendations. The fund is projected to be below the three-month average on August 31, 2015. Any excess funds will be appropriated for equipment purchases for the Junior High and Rose Hamilton Elementary kitchens.

*Rp S. Simon*

\_\_\_\_\_  
Superintendent

*August 11, 2015*

\_\_\_\_\_  
Date

*Gyma M. Stover*

\_\_\_\_\_  
Treasurer

*August 11, 2015*

\_\_\_\_\_  
Date

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.