

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION  
CRAWFORD COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
01/28/2016



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Martha Stroud Tina Key	07-01-12 to 12-31-13 01-01-14 to 06-30-16
Superintendent of Schools	Dr. Mark Eastridge (Vacant) Dr. Elmer Shelby (Interim) W. Garry DeRossett	07-01-12 to 06-30-14 07-01-14 to 08-29-14 08-30-14 to 12-31-14 01-01-15 to 06-30-18
President of the School Board	Tim Jellison Lucas Stroud Dennis Talley Traci Kerns	01-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Crawford County Community School Corporation (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.

***Emphasis of Matter***

As discussed in Note 9 to the financial statement, the financial statement has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

***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.


INDEPENDENT AUDITOR'S REPORT  
(Continued)

*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 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.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 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

November 5, 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 CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION, CRAWFORD 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 Crawford County Community School Corporation (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 November 5, 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**

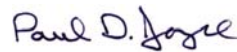
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

**Crawford County Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

November 5, 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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CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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	\$ 1,241,022	\$ 11,159,716	\$ 11,477,608	\$ (82,558)	\$ 840,572	\$ 10,859,745	\$ 11,014,116	\$ (119,941)	\$ 566,260
Debt Service	1,214,581	1,140,516	1,518,950	300,000	1,136,147	1,244,824	1,502,980	210,908	1,088,899
Retirement/Severance Bond Debt Service	182,147	441,577	437,497	-	186,227	465,483	442,806	16,212	225,116
Capital Projects	319,817	1,121,177	1,106,277	-	334,717	964,260	1,099,156	37,352	237,173
School Transportation	754,173	1,256,941	1,308,850	-	702,264	1,269,333	1,299,808	49,921	721,710
School Bus Replacement	310,191	17,737	59,000	10,000	278,928	12,024	110,867	11,633	191,718
Rainy Day	587,265	10,726	58,630	-	539,361	10,121	91,370	-	458,112
Post-Retirement/Severance Future Benefits	381,804	2,208	163,063	-	220,949	180	221,129	-	-
School Lunch	287,309	899,270	978,254	-	208,325	989,341	918,329	-	279,337
Textbook Rental	176,306	217,439	126,854	-	266,891	211,563	205,328	(23,464)	249,662
Levy Excess	-	194	-	-	194	-	-	-	194
Educational License Plates	443	169	450	-	162	38	162	-	38
SAFE School Haven	(1,750)	4,229	2,479	-	-	-	-	-	-
SAFE School Haven 12/13	-	11,238	7,275	-	3,963	3,262	7,225	-	-
SAFE School Haven 13/14	-	-	-	-	-	10,150	6,739	-	3,411
Early Intervention Grant	240	-	240	-	-	-	-	-	-
Dennie Oxley Memorial Fund	-	750	-	-	750	-	-	-	750
Pam Goldman Special Needs Fund	-	595	200	-	395	-	-	-	395
Crawford County Arts/Library	-	-	-	-	-	500	500	-	-
Larry Eastridge Memorial Fund	-	-	-	-	-	2,125	-	-	2,125
State General Fund Loan	-	-	-	-	-	9,290	9,688	398	-
2010/2011 IAC Arts Grant CCHS	149	-	149	-	-	-	-	-	-
2011/2012 IAC Arts Grant Patoka	(1,012)	1,042	30	-	-	-	-	-	-
2011/2012 IAC Arts Grant CCHS	(17)	862	845	-	-	-	-	-	-
2012/2013 IAC Arts Grant Patoka	-	7,250	6,522	-	728	-	728	-	-
2013/2014 IAC Arts Grant Patoka	-	-	-	-	-	3,750	4,035	-	(285)
Full Day Kindergarten Support	61,255	768	216,410	154,387	-	-	-	-	-
County Riverboat Support	684,365	3,873	201,042	(371,829)	115,367	652	(51,825)	(167,844)	-
Insurance (Claims for Losses)	410	-	-	-	410	-	-	-	410
Special Funds	455	-	85	-	370	-	30	-	340
C.A.R.E.S.	146,337	139,721	137,138	-	148,920	188,848	330,413	-	7,355
11/12 High Ability	16,330	-	16,330	-	-	-	-	-	-
12/13 High Ability	-	30,048	16,766	-	13,282	-	13,282	-	-
13/14 High Ability	-	-	-	-	-	29,764	21,600	-	8,164
School Technology	13,986	45,974	38,123	-	21,837	60,965	41,180	-	41,622
13/14 Secured School Safety	-	-	-	-	-	-	32,302	-	(32,302)
Elearning Innovation Planning Grant	-	30,000	21,607	-	8,393	50,000	57,108	-	1,285
Excess PTRC Distributions	8,523	3,446	-	-	11,969	-	-	-	11,969
Title I FY12	(29,024)	135,377	106,353	-	-	-	-	-	-
Title I FY13	-	429,687	449,084	-	(19,397)	44,465	25,068	-	-
Title I FY14	-	-	-	-	-	365,390	377,617	-	(12,227)
Special Ed Improvement Grant	(7,709)	69,999	62,290	-	-	-	-	-	-
Special Ed Improvement Grant 2013	-	-	-	-	-	65,898	65,898	-	-
21st Century Learning Center	-	-	-	-	-	-	27,888	-	(27,888)
12/13 21st Century (CARES)	(39,820)	380,713	345,180	-	(4,287)	4,287	-	-	-
12/13 21st Century (PACK)	(2,975)	150,000	147,025	-	-	-	-	-	-
13/14 21st Century (PACK)	-	-	7,141	-	(7,141)	142,042	146,716	-	(11,815)
11/12 Elem School Counseling	-	43,788	43,788	-	-	-	-	-	-
12/13 Elem School Counseling	-	256,893	257,968	-	(1,075)	204,314	203,239	-	-
Improving Teacher Quality NCLB, Title II, Part A Class Size	(5,129)	29,932	24,803	-	-	-	-	-	-
Improving Teacher Quality NCLB, Title II, Part A	-	104,825	110,277	-	(5,452)	5,452	-	-	-
Improving Teacher Quality NCLB, Title II, Part A 12	-	-	-	-	-	109,988	109,988	-	-
Rural Schools & Low Income Program 11/12	(1,400)	1,604	204	-	-	-	-	-	-
Rural Schools & Low Income Program 12/13	-	12,778	29,031	-	(16,253)	25,616	9,363	-	-
Rural Schools & Low Income Program 13/14	-	-	-	-	-	32,029	32,029	-	-
Education Jobs	(28,304)	116,391	88,087	-	-	-	-	-	-
Prepaid Food	7,867	323,172	322,471	-	8,568	316,122	316,593	-	8,097
Payroll Withholdings	49,389	2,675,024	2,640,623	-	83,790	2,621,984	2,623,315	-	82,459
Employee Benefit Trust	3,278,237	2,919,713	2,376,049	-	3,821,901	2,032,463	3,708,402	-	2,145,962
Totals	\$ 9,605,461	\$ 24,197,362	\$ 24,911,048	\$ 10,000	\$ 8,901,775	\$ 22,356,268	\$ 25,025,172	\$ 15,175	\$ 6,248,046

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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 include the following:

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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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. Negative Disbursements**

The financial statement contains some disbursements which appear as negative entries. This is a result of corrections made during a budget year but between fiscal years.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the grant requirement to incur expenses prior to being reimbursed.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Restatement**

For the year ended June 30, 2013, certain changes have been made to a beginning balance of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balance.

<u>New Fund</u>	Balance as of <u>July 1, 2012</u>
Employee Benefit Trust	<u><u>\$ 3,278,237</u></u>

**Note 10. Holding Corporation**

The School Corporation has entered into several capital leases with Crawford County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during fiscal years 2013 and 2014 totaled \$2,152,530.

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#### 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 1,241,022	\$ 1,214,581	\$ 182,147	\$ 319,817	\$ 754,173	\$ 310,191	\$ 587,265	\$ 381,804	\$ 287,309
Receipts:									
Local sources	180,813	1,140,516	441,577	961,357	1,256,941	17,737	10,726	2,208	334,699
Intermediate sources	976	-	-	-	-	-	-	-	-
State sources	10,474,431	-	-	-	-	-	-	-	6,321
Federal sources	-	-	-	-	-	-	-	-	558,250
Temporary loans	497,392	-	-	25,186	-	-	-	-	-
Other	6,104	-	-	134,634	-	-	-	-	-
Total receipts	11,159,716	1,140,516	441,577	1,121,177	1,256,941	17,737	10,726	2,208	899,270
Disbursements:									
Current:									
Instruction	8,093,701	-	-	-	-	-	-	-	-
Support services	3,225,306	-	-	673,844	1,308,850	59,000	58,630	-	-
Noninstructional services	158,601	-	-	-	-	-	-	-	978,254
Facilities acquisition and construction	-	-	-	432,433	-	-	-	-	-
Debt services	-	1,518,950	437,497	-	-	-	-	163,063	-
Total disbursements	11,477,608	1,518,950	437,497	1,106,277	1,308,850	59,000	58,630	163,063	978,254
Excess (deficiency) of receipts over disbursements	(317,892)	(378,434)	4,080	14,900	(51,909)	(41,263)	(47,904)	(160,855)	(78,984)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	10,000	-	-	-
Transfers in	-	300,000	-	-	-	-	-	-	-
Transfers out	(82,558)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(82,558)	300,000	-	-	-	10,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(400,450)	(78,434)	4,080	14,900	(51,909)	(31,263)	(47,904)	(160,855)	(78,984)
Cash and investments - ending	\$ 840,572	\$ 1,136,147	\$ 186,227	\$ 334,717	\$ 702,264	\$ 278,928	\$ 539,361	\$ 220,949	\$ 208,325

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

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven 12/13	SAFE School Haven 13/14	Early Intervention Grant	Dennie Oxley Memorial Fund	Pam Goldman Special Needs Fund
Cash and investments - beginning	\$ 176,306	\$ -	\$ 443	\$ (1,750)	\$ -	\$ -	\$ 240	\$ -	\$ -
Receipts:									
Local sources	-	194	-	-	-	-	-	750	595
Intermediate sources	-	-	169	-	-	-	-	-	-
State sources	217,439	-	-	4,229	11,238	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	217,439	194	169	4,229	11,238	-	-	750	595
Disbursements:									
Current:									
Instruction	-	-	-	2,479	7,275	-	240	-	200
Support services	126,854	-	450	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	126,854	-	450	2,479	7,275	-	240	-	200
Excess (deficiency) of receipts over disbursements	90,585	194	(281)	1,750	3,963	-	(240)	750	395
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	90,585	194	(281)	1,750	3,963	-	(240)	750	395
Cash and investments - ending	\$ 266,891	\$ 194	\$ 162	\$ -	\$ 3,963	\$ -	\$ -	\$ 750	\$ 395

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

	Crawford County Arts/Library	Larry Eastridge Memorial Fund	State General Fund Loan	2010/2011 IAC Arts Grant CCHS	2011/2012 IAC Arts Grant Patoka	2011/2012 IAC Arts Grant CCHS	2012/2013 IAC Arts Grant Patoka	2013/2014 IAC Arts Grant Patoka	Full Day Kindergarten Support
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 149	\$ (1,012)	\$ (17)	\$ -	\$ -	\$ 61,255
Receipts:									
Local sources	-	-	-	-	92	-	3,500	-	768
Intermediate sources	-	-	-	-	950	862	3,750	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,042	862	7,250	-	768
Disbursements:									
Current:									
Instruction	-	-	-	149	30	845	6,522	-	216,410
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	149	30	845	6,522	-	216,410
Excess (deficiency) of receipts over disbursements	-	-	-	(149)	1,012	17	728	-	(215,642)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	154,387
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	154,387
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(149)	1,012	17	728	-	(61,255)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728	\$ -	\$ -

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

	County Riverboat Support	Insurance (Claims for Losses)	Special Funds	C.A.R.E.S.	11/12 High Ability	12/13 High Ability	13/14 High Ability	School Technology	13/14 Secured School Safety
Cash and investments - beginning	\$ 684,365	\$ 410	\$ 455	\$ 146,337	\$ 16,330	\$ -	\$ -	\$ 13,986	\$ -
Receipts:									
Local sources	3,873	-	-	100,478	-	-	-	42,353	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	30,048	-	3,621	-
Federal sources	-	-	-	39,243	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	3,873	-	-	139,721	-	30,048	-	45,974	-
Disbursements:									
Current:									
Instruction	87,351	-	-	137,138	13,640	16,766	-	38,123	-
Support services	-	-	85	-	2,690	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	113,691	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	201,042	-	85	137,138	16,330	16,766	-	38,123	-
Excess (deficiency) of receipts over disbursements	(197,169)	-	(85)	2,583	(16,330)	13,282	-	7,851	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(371,829)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(371,829)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(568,998)	-	(85)	2,583	(16,330)	13,282	-	7,851	-
Cash and investments - ending	\$ 115,367	\$ 410	\$ 370	\$ 148,920	\$ -	\$ 13,282	\$ -	\$ 21,837	\$ -

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

	Elarning Innovation Planning Grant	Excess PTRC Distributions	Title I FY12	Title I FY13	Title I FY14	Special Ed Improvement Grant	Special Ed Improvement Grant 2013	21st Century Learning Center
Cash and investments - beginning	\$ -	\$ 8,523	\$ (29,024)	\$ -	\$ -	\$ (7,709)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	1,006	-	-	-	-
Intermediate sources	-	3,446	-	-	-	-	-	-
State sources	30,000	-	-	-	-	-	-	-
Federal sources	-	-	135,377	428,681	-	69,999	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	30,000	3,446	135,377	429,687	-	69,999	-	-
Disbursements:								
Current:								
Instruction	-	-	83,786	376,583	-	-	-	-
Support services	21,607	-	22,351	67,532	-	62,290	-	-
Noninstructional services	-	-	216	4,969	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	21,607	-	106,353	449,084	-	62,290	-	-
Excess (deficiency) of receipts over disbursements	8,393	3,446	29,024	(19,397)	-	7,709	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,393	3,446	29,024	(19,397)	-	7,709	-	-
Cash and investments - ending	\$ 8,393	\$ 11,969	\$ -	\$ (19,397)	\$ -	\$ -	\$ -	\$ -

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

	12/13 21st Century (CARES)	12/13 21st Century (PACK)	13/14 21st Century (PACK)	11/12 Elem School Counseling	12/13 Elem School Counseling	Improving Teacher Quality NCLB, Title II, Part A Class Size	Improving Teacher Quality NCLB, Title II, Part A	Improving Teacher Quality NCLB, Title II, Part A 12
Cash and investments - beginning	\$ (39,820)	\$ (2,975)	\$ -	\$ -	\$ -	\$ (5,129)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	1,172	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	380,713	150,000	-	43,788	255,721	29,932	104,825	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	380,713	150,000	-	43,788	256,893	29,932	104,825	-
Disbursements:								
Current:								
Instruction	345,180	147,025	7,141	-	-	24,803	110,277	-
Support services	-	-	-	43,788	257,968	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Total disbursements	345,180	147,025	7,141	43,788	257,968	24,803	110,277	-
Excess (deficiency) of receipts over disbursements	35,533	2,975	(7,141)	-	(1,075)	5,129	(5,452)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,533	2,975	(7,141)	-	(1,075)	5,129	(5,452)	-
Cash and investments - ending	\$ (4,287)	\$ -	\$ (7,141)	\$ -	\$ (1,075)	\$ -	\$ (5,452)	\$ -

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

	Rural Schools & Low Income Program 11/12	Rural Schools & Low Income Program 12/13	Rural Schools & Low Income Program 13/14	Education Jobs	Prepaid Food	Payroll Withholdings	Employee Benefit Trust	Totals
Cash and investments - beginning	\$ (1,400)	\$ -	\$ -	\$ (28,304)	\$ 7,867	\$ 49,389	\$ 3,278,237	\$ 9,605,461
Receipts:								
Local sources	-	-	-	-	323,172	-	-	4,824,527
Intermediate sources	-	-	-	-	-	-	-	10,153
State sources	-	-	-	-	-	-	-	10,777,327
Federal sources	1,604	12,778	-	116,391	-	-	-	2,327,302
Temporary loans	-	-	-	-	-	-	-	522,578
Other	-	-	-	-	-	2,675,024	2,919,713	5,735,475
Total receipts	1,604	12,778	-	116,391	323,172	2,675,024	2,919,713	24,197,362
Disbursements:								
Current:								
Instruction	204	29,031	-	88,087	-	-	-	9,832,986
Support services	-	-	-	-	-	-	-	5,931,245
Noninstructional services	-	-	-	-	322,471	2,640,623	2,376,049	6,481,183
Facilities acquisition and construction	-	-	-	-	-	-	-	546,124
Debt services	-	-	-	-	-	-	-	2,119,510
Total disbursements	204	29,031	-	88,087	322,471	2,640,623	2,376,049	24,911,048
Excess (deficiency) of receipts over disbursements	1,400	(16,253)	-	28,304	701	34,401	543,664	(713,686)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	10,000
Transfers in	-	-	-	-	-	-	-	454,387
Transfers out	-	-	-	-	-	-	-	(454,387)
Total other financing sources (uses)	-	-	-	-	-	-	-	10,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,400	(16,253)	-	28,304	701	34,401	543,664	(703,686)
Cash and investments - ending	\$ -	\$ (16,253)	\$ -	\$ -	\$ 8,568	\$ 83,790	\$ 3,821,901	\$ 8,901,775

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 840,572	\$ 1,136,147	\$ 186,227	\$ 334,717	\$ 702,264	\$ 278,928	\$ 539,361	\$ 220,949	\$ 208,325
Receipts:									
Local sources	244,560	1,244,824	465,483	953,592	1,269,333	12,024	10,121	180	327,285
Intermediate sources	20,125	-	-	-	-	-	-	-	-
State sources	10,112,709	-	-	-	-	-	-	-	6,360
Federal sources	-	-	-	-	-	-	-	-	655,696
Temporary loans	482,351	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	10,668	-	-	-	-	-
Total receipts	10,859,745	1,244,824	465,483	964,260	1,269,333	12,024	10,121	180	989,341
Disbursements:									
Current:									
Instruction	7,463,920	-	-	-	-	-	-	-	-
Support services	3,362,840	-	-	734,419	1,299,808	110,867	91,370	-	-
Noninstructional services	162,097	-	-	-	-	-	-	-	918,329
Facilities acquisition and construction	-	-	-	364,737	-	-	-	-	-
Debt services	1,795	1,502,980	442,806	-	-	-	-	221,129	-
Interfund loans	23,464	-	-	-	-	-	-	-	-
Total disbursements	11,014,116	1,502,980	442,806	1,099,156	1,299,808	110,867	91,370	221,129	918,329
Excess (deficiency) of receipts over disbursements	(154,371)	(258,156)	22,677	(134,896)	(30,475)	(98,843)	(81,249)	(220,949)	71,012
Other financing sources (uses):									
Sale of capital assets	4,056	-	-	-	-	11,119	-	-	-
Transfers in	23,464	210,908	16,212	37,352	49,921	514	-	-	-
Transfers out	(147,461)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(119,941)	210,908	16,212	37,352	49,921	11,633	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(274,312)	(47,248)	38,889	(97,544)	19,446	(87,210)	(81,249)	(220,949)	71,012
Cash and investments - ending	\$ 566,260	\$ 1,088,899	\$ 225,116	\$ 237,173	\$ 721,710	\$ 191,718	\$ 458,112	\$ -	\$ 279,337

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

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven 12/13	SAFE School Haven 13/14	Early Intervention Grant	Dennie Oxley Memorial Fund	Pam Goldman Special Needs Fund
Cash and investments - beginning	\$ 266,891	\$ 194	\$ 162	\$ -	\$ 3,963	\$ -	\$ -	\$ 750	\$ 395
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	38	-	-	-	-	-	-
State sources	188,099	-	-	-	3,262	10,150	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	23,464	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	211,563	-	38	-	3,262	10,150	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	7,225	6,739	-	-	-
Support services	205,328	-	162	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	205,328	-	162	-	7,225	6,739	-	-	-
Excess (deficiency) of receipts over disbursements	6,235	-	(124)	-	(3,963)	3,411	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(23,464)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(23,464)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,229)	-	(124)	-	(3,963)	3,411	-	-	-
Cash and investments - ending	\$ 249,662	\$ 194	\$ 38	\$ -	\$ -	\$ 3,411	\$ -	\$ 750	\$ 395

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

	Crawford County Arts/Library	Larry Eastridge Memorial Fund	State General Fund Loan	2010/2011 IAC Arts Grant CCHS	2011/2012 IAC Arts Grant Patoka	2011/2012 IAC Arts Grant CCHS	2012/2013 IAC Arts Grant Patoka	2013/2014 IAC Arts Grant Patoka	Full Day Kindergarten Support
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728	\$ -	\$ -
Receipts:									
Local sources	500	2,125	9,290	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	3,750	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	500	2,125	9,290	-	-	-	-	3,750	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	728	4,035	-
Support services	500	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	9,688	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	500	-	9,688	-	-	-	728	4,035	-
Excess (deficiency) of receipts over disbursements	-	2,125	(398)	-	-	-	(728)	(285)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	398	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	398	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,125	-	-	-	-	(728)	(285)	-
Cash and investments - ending	\$ -	\$ 2,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (285)	\$ -

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

	County Riverboat Support	Insurance (Claims for Losses)	Special Funds	C.A.R.E.S.	11/12 High Ability	12/13 High Ability	13/14 High Ability	School Technology	13/14 Secured School Safety
Cash and investments - beginning	\$ 115,367	\$ 410	\$ 370	\$ 148,920	\$ -	\$ 13,282	\$ -	\$ 21,837	\$ -
Receipts:									
Local sources	652	-	-	136,552	-	-	-	57,348	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	29,764	3,617	-
Federal sources	-	-	-	52,296	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	652	-	-	188,848	-	-	29,764	60,965	-
Disbursements:									
Current:									
Instruction	(51,825)	-	-	330,413	-	13,282	21,600	41,180	-
Support services	-	-	30	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	32,302
Debt services	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	(51,825)	-	30	330,413	-	13,282	21,600	41,180	32,302
Excess (deficiency) of receipts over disbursements	52,477	-	(30)	(141,565)	-	(13,282)	8,164	19,785	(32,302)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(167,844)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(167,844)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(115,367)	-	(30)	(141,565)	-	(13,282)	8,164	19,785	(32,302)
Cash and investments - ending	\$ -	\$ 410	\$ 340	\$ 7,355	\$ -	\$ -	\$ 8,164	\$ 41,622	\$ (32,302)

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

	Elearning Innovation Planning Grant	Excess PTRC Distributions	Title I FY12	Title I FY13	Title I FY14	Special Ed Improvement Grant	Special Ed Improvement Grant 2013	21st Century Learning Center
Cash and investments - beginning	\$ 8,393	\$ 11,969	\$ -	\$ (19,397)	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	50,000	-	-	-	-	-	65,898	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	44,465	365,390	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	50,000	-	-	44,465	365,390	-	65,898	-
Disbursements:								
Current:								
Instruction	-	-	-	18,170	300,511	-	1,019	27,888
Support services	57,108	-	-	6,898	73,972	-	64,879	-
Noninstructional services	-	-	-	-	3,134	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	57,108	-	-	25,068	377,617	-	65,898	27,888
Excess (deficiency) of receipts over disbursements	(7,108)	-	-	19,397	(12,227)	-	-	(27,888)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,108)	-	-	19,397	(12,227)	-	-	(27,888)
Cash and investments - ending	\$ 1,285	\$ 11,969	\$ -	\$ -	\$ (12,227)	\$ -	\$ -	\$ (27,888)

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

	12/13 21st Century (CARES)	12/13 21st Century (PACK)	13/14 21st Century (PACK)	11/12 Elem School Counseling	12/13 Elem School Counseling	Improving Teacher Quality NCLB, Title II, Part A Class Size	Improving Teacher Quality NCLB, Title II, Part A	Improving Teacher Quality NCLB, Title II, Part A 12
Cash and investments - beginning	\$ (4,287)	\$ -	\$ (7,141)	\$ -	\$ (1,075)	\$ -	\$ (5,452)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	4,287	-	142,042	-	204,314	-	5,452	109,988
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	4,287	-	142,042	-	204,314	-	5,452	109,988
Disbursements:								
Current:								
Instruction	-	-	146,716	-	-	-	-	109,988
Support services	-	-	-	-	203,239	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	146,716	-	203,239	-	-	109,988
Excess (deficiency) of receipts over disbursements	4,287	-	(4,674)	-	1,075	-	5,452	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,287	-	(4,674)	-	1,075	-	5,452	-
Cash and investments - ending	\$ -	\$ -	\$ (11,815)	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Rural Schools & Low Income Program 11/12	Rural Schools & Low Income Program 12/13	Rural Schools & Low Income Program 13/14	Education Jobs	Prepaid Food	Payroll Withholdings	Employee Benefit Trust	Totals
Cash and investments - beginning	\$ -	\$ (16,253)	\$ -	\$ -	\$ 8,568	\$ 83,790	\$ 3,821,901	\$ 8,901,775
Receipts:								
Local sources	-	-	-	-	316,122	-	-	5,049,991
Intermediate sources	-	-	-	-	-	-	-	139,811
State sources	-	-	-	-	-	-	-	10,353,961
Federal sources	-	25,616	32,029	-	-	-	-	1,641,575
Temporary loans	-	-	-	-	-	-	-	482,351
Interfund loans	-	-	-	-	-	-	-	23,464
Other	-	-	-	-	-	2,621,984	2,032,463	4,665,115
Total receipts	-	25,616	32,029	-	316,122	2,621,984	2,032,463	22,356,268
Disbursements:								
Current:								
Instruction	-	9,363	32,029	-	-	-	-	8,482,981
Support services	-	-	-	-	-	-	-	6,211,420
Noninstructional services	-	-	-	-	316,593	2,623,315	3,708,402	7,731,870
Facilities acquisition and construction	-	-	-	-	-	-	-	397,039
Debt services	-	-	-	-	-	-	-	2,178,398
Interfund loans	-	-	-	-	-	-	-	23,464
Total disbursements	-	9,363	32,029	-	316,593	2,623,315	3,708,402	25,025,172
Excess (deficiency) of receipts over disbursements	-	16,253	-	-	(471)	(1,331)	(1,675,939)	(2,668,904)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	15,175
Transfers in	-	-	-	-	-	-	-	338,769
Transfers out	-	-	-	-	-	-	-	(338,769)
Total other financing sources (uses)	-	-	-	-	-	-	-	15,175
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	16,253	-	-	(471)	(1,331)	(1,675,939)	(2,653,729)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 8,097	\$ 82,459	\$ 2,145,962	\$ 6,248,046

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Crawford County School Building Corporation	Lease Rental Elementary Schools	\$ 912,500	6/1/2006	12/1/2021
Crawford County School Building Corporation	Roofing Masonary Doors and Windows	114,854	6/30/2007	6/30/2020
Crawford County School Building Corporation	Media Center and Science Labs	<u>71,676</u>	7/15/2011	7/15/2023
Total governmental activities		<u>1,099,030</u>		
Total of annual lease payments		<u><u>\$ 1,099,030</u></u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Pension Bonds	\$ 2,630,000	\$ 437,030
Notes and loans payable	Common School Loans	<u>2,930,484</u>	<u>467,310</u>
Total governmental activities		<u>5,560,484</u>	<u>904,340</u>
Totals		<u><u>\$ 5,560,484</u></u>	<u><u>\$ 904,340</u></u>

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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	\$ 270,000
Buildings	35,346,498
Improvements other than buildings	253,894
Machinery, equipment, and vehicles	<u>1,584,140</u>
Total governmental activities	<u>37,454,532</u>
Total capital assets	<u><u>\$ 37,454,532</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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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 CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

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

We have audited the Crawford County Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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.

***Basis for Qualified Opinion on Special Education Cluster (IDEA)***

As described in item 2014-004 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management and Reporting that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

***Qualified Opinion on Special Education Cluster (IDEA)***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, 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 the Special Education Cluster (IDEA) for the period of July 1, 2012 to June 30, 2014.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2012 to June 30, 2014.

***Other Matters***

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

**Report on Internal Control Over Compliance**

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

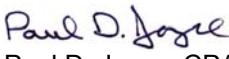
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, and 2014-004 to be material weaknesses.

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

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

November 5, 2015

#### 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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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				
School Breakfast Program		10.553	FY 2012-2013	\$ 167,558	\$ -
School Breakfast Program		10.553	FY 2013-2014	-	193,525
National School Lunch Program	Indiana Department of Education				
National School Lunch Program		10.555	FY 2012-2013	446,499	-
National School Lunch Program		10.555	FY 2013-2014	-	519,625
Summer Food Service Program for Children	Indiana Department of Education				
Summer Food Service Program for Children		10.559	FY 2013-2014	-	29,457
Total - Child Nutrition Cluster				614,057	742,607
Child and Adult Care Food Program	Indiana Department of Education				
Child and Adult Care Food Program		10.558	FY 2012-2013	36,761	-
Child and Adult Care Food Program		10.558	FY 2013-2014	-	22,839
Total - Child and Adult Care Food Program				36,761	22,839
Total - Department of Agriculture				650,818	765,446
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education				
Title I FY12		84.010	FY 2011-2012	135,377	-
Title I FY13		84.010	FY 2012-2013	428,681	44,465
Title I FY14		84.010	FY 2013-2014	-	365,390
Total - Title I, Part A Cluster				564,058	409,855
Special Education Cluster (IDEA)	Indiana Department of Education				
Special Education_Grants to States					
Special Education Improvement		84.027	2012-2013	69,999	-
Special Education Improvement		84.027	2013/2014	-	65,898
FY 2012 Federal Part B 611		84.027	14212-056-PN01	74,512	-
FY 2013 Federal Part B 611		84.027	14213-056-PN01	335,549	77,662
FY 2014 Federal Part B 611		84.027	14214-056-PN01	-	297,473
Federal Technical Assistance Grants		84.027	99914-056-PN01	-	3,958
Total - Special Education_Grants to States				480,060	444,991

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education_Preschool Grants					
FY 2012 Federal Part B 619		84.173	45712-056-PN01	8,865	-
FY 2013 Federal Part B 619		84.173	45713-056-PN01	7,387	10,218
FY 2014 Federal Part B 619		84.173	45714-056-PN01	-	9,188
Total Special Education_Preschool Grants				16,252	19,406
Total - Special Education Cluster (IDEA)				496,312	464,397
Fund for the Improvement of Education					
11/12 Elem School Counseling	Direct Grant	84.215	Q215E200303-11	42,616	-
12/13 Elem School Counseling		84.215	Q215E200303-12	256,893	204,314
Total - Fund for the Improvement of Education				299,509	204,314
Twenty-First Century Community Learning Centers					
12/13 21st Century (CARES)	Indiana Department of Educaion	84.287	FY 12-13	380,713	4,287
12/13 21st Century (PACK)		84.287	FY 12-13	150,000	-
13/14 21st Century (PACK)		84.287	FY 13-14	-	142,042
Total - Twenty-First Century Community Learning Centers				530,713	146,329
Rural Education					
Rural Schools & Low Income Program 11/12	Indiana Department of Education	84.358	FY 11-12	1,604	-
Rural Schools & Low Income Program 12/13		84.358	FY 12-13	12,778	25,616
Rural Schools & Low Income Program 13/14		84.358	FY 13-14	-	32,029
Total - Rural Education				14,382	57,645
Improving Teacher Quality State Grants					
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	11-2110	29,932	-
Improving Teacher Quality State Grants		84.367	12-2110	104,825	5,452
Improving Teacher Quality State Grants		84.367	13-2110	-	109,988
Total - Improving Teacher Quality State Grants				134,757	115,440
Education Jobs Fund	Indiana Department of Education	84.410	FY 2010-2011	116,391	-
Total - Department of Education				2,156,122	1,397,980
Total federal awards expended				\$ 2,806,940	\$ 2,163,426

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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
National School Lunch Program	10.555	\$ 55,809	\$ 57,454

**Note 3. South Central Area Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative. The Special Education Cooperative operates the Special Education Program for the School Corporation. As a result, some activity for the Special Education Cluster that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified for Special Education Cluster (IDEA) and Unmodified for other major programs
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:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Title I, Part A Cluster
	Special Education Cluster (IDEA)
84.287	Twenty-First Century Community Learning Centers

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

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

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

During the audit of the SEFA, we noted the following errors: (1) several federal grants were not reported and several grants were reported for the incorrect amount; and (2) pass-through agency, federal program titles, and pass-through entity (or other) identifying numbers were not always correct. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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.

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

- (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."

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

***FINDING 2014-002 - CASH MANAGEMENT AND REPORTING***

Federal Agency: Department of Education

Federal Program: Twenty-First Century Community Learning Centers

CFDA Number: 84.287

Federal Award Number and Year (or Other Identifying Number): FY 12-13 and FY 13-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement for the following compliance requirements: Cash Management and Reporting.

Documentation was not presented for audit which would ensure that the School Corporation verified that the amounts requested for reimbursement were expended from local funds prior to requesting reimbursement. There was also no evidence of review of the reimbursement request for accuracy prior to submission of the request to Indiana Department of Education.

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 program.

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

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

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

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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

***FINDING 2014-003 - CASH MANAGEMENT, REPORTING, AND  
SPECIAL TESTS AND PROVISIONS - COMPARABILITY***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): FY 2011-2012, FY 2012-2013,  
FY 2013-2014

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 requirements: Cash Management, Reporting, and Special Tests and Provisions - Comparability.

Documentation was not presented for audit which would ensure that the School Corporation verified that the amounts requested for reimbursement were expended from local funds prior to requesting reimbursement. There was no evidence of review of the reimbursement request for accuracy prior to submission of the request to the Indiana Department of Education. There was also no evidence of review of the comparability report for accuracy prior to submission to the Indiana Department of Education.

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 program.

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

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

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

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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

***FINDING 2014-004 - CASH MANAGEMENT AND REPORTING***

Federal Agency: Department of Education

Federal Program: Special Education\_Grants to States and Special Education\_Preschool Grants

CFDA Number: 84.027 and 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-056-PN01; 14213-056-PN01;  
14214-056-PN01; 99914-056-PN01;  
45712-056-PN01; 45713-056-PN01;  
and 45714-056-PN01

Pass-Through Entity: Indiana Department of Education

The School Corporation is a member of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operates the Special Education Program on behalf of the School Corporation and manages the Special Education grant funds.

Management of the Cooperative has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management and Reporting.

*Cash Management*

The Cooperative had established procedures to ensure expenditures were incurred and/or paid prior to requesting the reimbursement. The procedures were that the reimbursement request was to be supported by an expenditure or appropriation report and reviewed by the Director. However, these controls were not properly implemented or effective because the Cooperative claimed and received reimbursement of expenditures which were not incurred and/or paid to the date of claiming the reimbursement. Instances were noted where expenditure reports generated for the period were either for more or less than amounts claimed for reimbursement. Also, the Total Expenses to Date shown on the reimbursement request forms were all more than the amount of shown on the expenditure reports. Examination of supporting documentation for six reimbursement claims showed all six where the supporting documentation did not agree with the amounts requested. Inaccurate reimbursement requests resulted in unexpended grant funds being on hand at months end during the audit period for the various Special Education grants.

*Reporting*

The Cooperative had established procedures to ensure that reports were filed accurately. The procedures when submitting a report were that the report was to be supported by an expenditure or appropriation report and reviewed by the Director. However, these controls were not properly implemented or effective because the Cooperative submitted Reimbursement Request Forms requesting a reimbursement for expenses for each month and Final Reports for the completion of the grants that were not accurate and they did not have reports to back up the total expenditures reported on the final reports. Supporting documentation for four out of four reimbursement requests tested and one out of two final reports tested did not agree with the Cooperative's records. Inaccurate reimbursement requests resulted in unexpended grant funds being on hand.

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."

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

34 CFR 80.21 states in part:

"(b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205. . . .

(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. . . ."

31 CFR 205.12(b) states in part: "(5) Reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes."

34 CFR 80.20(b) states in part:

"The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

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

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure that reimbursement basis grant expenditures are paid prior to the date that the reimbursement is claimed and amounts claimed and reported agree to supporting documentation in accordance with Cash Management and Reporting requirements.

#### AUDITEE PREPARED DOCUMENT

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

CORRECTIVE ACTION PLANS

FINDING 2014 – 001

Contact Person Responsible for Corrective Action: James Smith, Business Manager  
Contact Phone Number: 812-365-2135

Description of Corrective Action Plan: Each year, the Business Manager will prepare a list of all federal awards and will complete the Schedule of Expenditures for Federal Awards as required at the end of each fiscal year. The Assistant Treasurer will be provided with the list of all federal awards for the fiscal year and will review all documentation supporting the Schedule's content for accuracy and completeness prior to the Schedule's submission.  
Anticipated Completion Date: July 31, 2015

FINDING 2014 – 002

Contact Person Responsible for Corrective Action: Pamela Nemeth, Assistant Treasurer  
Contact Phone Number: 812-365-2135

Description of Corrective Action Plan: With every cash request, the Assistant Treasurer will print out the necessary supporting documentation from our financial software to determine the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, will be given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager will sign the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer will then make any necessary corrections, sign, and send in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director.  
Anticipated Completion Date: Effective Immediately

FINDING 2014 – 003

Contact Person Responsible for Corrective Action: Pamela Nemeth, Assistant Treasurer  
Contact Phone Number: 812-365-2135

Description of Corrective Action Plan: With every cash request, the Assistant Treasurer will print out the necessary supporting documentation from our financial software to determine the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, will be given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager will sign the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer will then make any necessary corrections, sign, and send in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director.  
Anticipated Completion Date: Effective Immediately

FINDING 2014 – 004

Contact Person Responsible for Corrective Action: Pamela Nemeth, Assistant Treasurer  
Contact Phone Number: 812-365-2135

Description of Corrective Action Plan: The School Corporation has established procedures to ensure expenditures are incurred and/or paid prior to requesting the reimbursement and that reports will be filed accurately. Reimbursement requests and reports will be supported by expenditure or appropriation report and reviewed by the Special Education coop director and the school corporation Assistant Treasurer before submission. This will ensure that reimbursement grant expenditures are paid prior to the date that the reimbursement is claimed and amounts claimed and reported agree to supporting documentation in accordance with Cash Management and Reporting requirements.

Anticipated Completion Date: Effective Immediately

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Signature]*

Business Manager

11/5/15

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Signature]*

Assistant Treas.

11/5/15

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.