

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

PERRY CENTRAL COMMUNITY  
SCHOOL CORPORATION  
PERRY COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
10/07/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry L. Knieriem	07-01-13 to 12-31-16
Superintendent of Schools	Mary Roberson	07-01-13 to 06-30-18
President of the School Board	Larry James Timothy Edwards	07-01-13 to 12-31-14 01-01-15 to 12-31-16



**STATE OF INDIANA**  
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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE PERRY CENTRAL COMMUNITY  
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Perry Central Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, 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 to 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, 2013 to June 30, 2015.

***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, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated July 12, 2016, 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

July 12, 2016



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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 PERRY CENTRAL COMMUNITY  
SCHOOL CORPORATION, PERRY 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 Perry Central Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated July 12, 2016, 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 items 2015-001 and 2015-002 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**

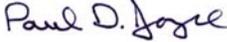
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 items 2015-001 and 2015-002.

**Perry Central 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

July 12, 2016

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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.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 938,272	\$ 8,100,292	\$ 7,511,257	\$ -	\$ 1,527,307	\$ 7,765,518	\$ 8,372,988	\$ -	\$ 919,837
Debt Service	801,452	507,003	969,463	-	338,992	555,116	506,568	(15,580)	371,960
Retirement/Severance Bond Debt Service	33,856	206,108	204,382	-	35,582	212,772	208,737	(6,948)	32,669
Capital Projects	177,221	678,834	679,841	-	176,214	722,807	527,862	(19,871)	351,288
School Transportation	629,550	836,144	897,813	(250,000)	317,881	853,652	872,040	50,431	349,924
School Bus Replacement	141,326	170,931	171,262	(50,000)	90,995	126,396	147,196	(6,857)	63,338
Rainy Day	191,690	-	-	300,000	491,690	-	-	-	491,690
Construction	314,517	2,715	170,347	-	146,885	5,507	103,740	-	48,652
School Lunch	425,483	561,397	581,008	-	405,872	519,572	509,757	-	415,687
Textbook Rental	255,037	138,748	53,478	-	340,307	124,576	169,225	-	295,658
Levy Excess	-	-	-	-	-	-	-	-	-
Jasper Art Association	744	-	-	-	744	-	-	-	744
Child Care Program	1,988	46,675	47,930	-	733	41,274	42,007	-	-
Alternative Education	2,647	12,696	11,325	-	4,018	9,454	8,684	-	4,788
SS/HS Grant 2012-2013	(41,905)	89,001	47,096	-	-	-	-	-	-
SS/HS Grant Yr 5	-	586,204	586,204	-	-	-	-	-	-
Safe Haven Grant 2013-2014	-	6,707	10,150	-	(3,443)	3,443	-	-	-
Teacher Mini Grants Alliance	99	-	-	-	99	-	-	-	99
The Schergens Grant 08/09	5	-	5	-	-	-	-	-	-
Community Foundation Alliance	2	-	2	-	-	-	-	-	-
Regional Art Comm Grant	468	-	-	-	468	-	-	-	468
Recycling Grant 09-10	756	-	756	-	-	-	-	-	-
Natural Helpers 09-10	693	-	-	-	693	-	100	-	593
Indiana Youth Services Grant	-	39,260	12,684	-	26,576	-	26,576	-	-
Youth Services Grant 2014-2016	-	-	-	-	-	35,940	39,988	-	(4,048)
Lights On Comm Alliance Grant	119	25	-	-	144	-	-	-	144
High Ability Grant 12-13	4,402	5	4,402	-	5	-	-	-	5
High Ability Grant 13-14	-	28,641	20,773	-	7,868	-	7,868	-	-
High Ability Grant 14-15	-	-	-	-	-	28,729	14,955	-	13,774
GED Testing Fund	871	1,549	2,371	-	49	820	780	-	89
Continuing Education Evenstart	2,593	4,000	3,100	-	3,493	4,000	1,781	-	5,712
PY CO Tobacco Prev & Cessation	442	-	-	-	442	-	-	-	442
PY CO Substance Abuse	25	-	25	-	-	-	-	-	-
Perry County Sub Abuse 09-10	445	-	-	-	445	-	-	-	445
Perry County Sub Abuse 2010-2011	341	-	-	-	341	-	-	-	341
Substance Abuse Grant 2012-2013	2,741	4,387	2,801	-	4,327	130	3,185	-	1,272
Medicaid Reimbursement	21,748	34,756	20,788	-	35,716	25,112	20,511	-	40,317
Secured Schools Safety Grant	-	-	50,000	-	(50,000)	46,506	-	-	(3,494)
Donation	15,143	36,980	30,167	-	21,956	71,507	64,139	-	29,324
After School Program	4,146	432	1,113	-	3,465	66	72	-	3,459
Parent Outreach Program	22,192	14,552	7,154	-	29,590	15,371	43,743	-	1,218
Youth Service Bureau After School Program	3,063	-	2,736	-	327	-	327	-	-

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015  
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
PC Student Activities Fund	137	165	55	-	247	2,506	146	-	2,607
Welborn Wellness Grant	2,490	-	602	-	1,888	-	1,750	-	138
OMHS Wellness Grant 2011-2012	2	-	-	-	2	-	2	-	-
Welborn Grant 12-13 Heroes	14,080	4,050	18,130	-	-	-	-	-	-
Welborn Grant Heroes 13-14	-	25,345	14,784	-	10,561	29,600	40,161	-	-
School Technology 2010-2011	1,723	5,357	5,638	-	1,442	5,409	5,357	-	1,494
Performance Based Awards	-	80,042	80,042	-	-	150,000	150,000	-	-
ISTA Settlement	-	376,166	376,166	-	-	-	-	-	-
Digital Learning Grant 2014-2015	-	-	1,512	-	(1,512)	100,000	98,488	-	-
Title I 2008-2009	1	-	-	-	1	-	-	-	1
Title I 2013-2014	-	89,118	89,118	-	-	-	-	-	-
Title I 2014-2015	-	-	-	-	-	73,552	78,528	-	(4,976)
Sp Ed Improvement Grant 2013	-	8,683	8,683	-	-	-	-	-	-
Career Incentive	201	-	-	-	201	-	-	-	201
Drug Free Schools 07-09	2	-	-	-	2	-	2	-	-
Title IV Safe & Drug Free	2	-	-	-	2	-	2	-	-
Nutrition Grant 2010-2011	155	500	372	-	283	-	283	-	-
21st Century Grant Elem 13-14	(3,563)	125,000	121,437	-	-	-	-	-	-
21st Century Grant HS 12-13	-	100,000	100,000	-	-	15	-	-	15
21st Century Elem Cohort 7	-	-	-	-	-	149,752	156,393	-	(6,641)
21st Century Cohort 6 2014-2015	-	-	-	-	-	110,739	103,909	-	6,830
21st Century Cohort 7 Supplemental	-	-	-	-	-	4,617	73,717	-	(69,100)
21st Century Cohort 6 Supplemental	-	-	-	-	-	25,807	41,519	-	(15,712)
21st Century Regular Grant 15-16	-	-	-	-	-	-	9,247	-	(9,247)
21st Century Cohort 6 15-16	-	-	-	-	-	-	800	-	(800)
McKinney Vento Grant 12-13	(5,581)	27,141	21,560	-	-	-	-	-	-
Innovation Grant 2013-2014	(598)	169,257	169,498	-	(839)	1,743	904	-	-
McKinney Vento Grant 13-14	-	3,230	7,327	-	(4,097)	4,270	173	-	-
McKinney Vento Homeless Grant	-	-	-	-	-	12,000	12,000	-	-
ICJI - EUDL Grant 2013-2014	-	32,500	32,500	-	-	-	-	-	-
EUDL Grant 2015	-	-	-	-	-	-	1,528	-	(1,528)
Innovative CTE Grant	-	-	-	-	-	56,485	57,516	-	(1,031)
Title II Part A	(2,800)	21,518	17,271	-	1,447	-	-	-	1,447
Title IIA Improving Teacher	-	6,418	10,982	-	(4,564)	25,074	18,965	-	1,545
Title II Part A Elearning	-	14,963	13,156	-	1,807	1,537	2,844	-	500
E-Learning Grant 2014-2015	-	-	-	-	-	11,883	13,855	-	(1,972)
Title II Part A 2015	-	-	-	-	-	8,359	10,620	-	(2,261)
Title V Proj # 06-6325	184	-	184	-	-	-	-	-	-
Payroll Withholdings	44,883	1,987,275	1,985,264	-	46,894	2,046,459	2,028,747	-	64,606
Clearing	-	303,585	303,585	-	-	460,655	473,886	-	(13,231)
<b>Totals</b>	<b>\$ 4,003,490</b>	<b>\$ 15,488,355</b>	<b>\$ 15,478,299</b>	<b>\$ -</b>	<b>\$ 4,013,546</b>	<b>\$ 14,448,730</b>	<b>\$ 15,074,171</b>	<b>\$ 1,175</b>	<b>\$ 3,389,280</b>

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

PERRY CENTRAL 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, the following: 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.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State sources, which 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, which 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.

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

*E. Disbursements*

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

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

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

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

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

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

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

PERRY CENTRAL 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.

PERRY CENTRAL 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, the following: 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:

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains funds with deficits in cash as a result of the funds being set up for reimbursable grants and reimbursable School Corporation expenses and the reimbursements not being received by June 30, 2014 and 2015.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 8. Restatements**

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

New Fund	Prior Period Adjustment	Balance as of July 1, 2013
Payroll Withholdings	\$ 44,883	\$ 44,883

**Note 9. Holding Corporation**

The School Corporation has entered into a capital lease with Perry Central Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2013-2014 and 2014-2015 totaled \$67,500 and \$75,500, respectively.

**Note 10. Subsequent Event**

The School Corporation refinanced the Perry Central Community School Corporation Taxable General Obligation Pension Bonds of 2004 with the \$1,500,000 Indiana Bond Bank Taxable School Severance Funding Refunding Bonds, Series 2015 A, on September 15, 2015.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports 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.

PERRY CENTRAL 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	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 938,272	\$ 801,452	\$ 33,856	\$ 177,221	\$ 629,550	\$ 141,326	\$ 191,690	\$ 314,517	\$ 425,483	\$ 255,037
Receipts:										
Local sources	145,287	507,003	206,108	678,834	836,144	170,931	-	-	293,963	102,597
Intermediate sources	126	-	-	-	-	-	-	-	-	-
State sources	7,796,582	-	-	-	-	-	-	-	8,452	36,151
Federal sources	158,297	-	-	-	-	-	-	-	258,982	-
Temporary loans	-	-	-	-	-	-	-	2,715	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	8,100,292	507,003	206,108	678,834	836,144	170,931	-	2,715	561,397	138,748
Disbursements:										
Instruction	5,669,620	-	-	-	-	-	-	-	-	-
Support services	1,817,367	-	-	497,725	897,813	171,262	-	-	11,491	53,478
Noninstructional services	24,270	-	-	-	-	-	-	-	569,517	-
Facilities acquisition and construction	-	-	-	105,671	-	-	-	170,347	-	-
Debt services	-	969,463	204,382	76,445	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,511,257	969,463	204,382	679,841	897,813	171,262	-	170,347	581,008	53,478
Excess (deficiency) of receipts over disbursements	589,035	(462,460)	1,726	(1,007)	(61,669)	(331)	-	(167,632)	(19,611)	85,270
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	300,000	-	-	-
Transfers out	-	-	-	-	(250,000)	(50,000)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(250,000)	(50,000)	300,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	589,035	(462,460)	1,726	(1,007)	(311,669)	(50,331)	300,000	(167,632)	(19,611)	85,270
Cash and investments - ending	\$ 1,527,307	\$ 338,992	\$ 35,582	\$ 176,214	\$ 317,881	\$ 90,995	\$ 491,690	\$ 146,885	\$ 405,872	\$ 340,307

PERRY CENTRAL 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)

	Levy Excess	Jasper Art Association	Child Care Program	Alternative Education	SS/HS Grant 2012-2013	SS/HS Grant Yr 5	Safe Haven Grant 2013-2014	Teacher Mini Grants Alliance	The Schergens Grant 08/09	Community Foundation Alliance
Cash and investments - beginning	\$ -	\$ 744	\$ 1,988	\$ 2,647	\$ (41,905)	\$ -	\$ -	\$ 99	\$ 5	\$ 2
Receipts:										
Local sources	-	-	46,675	1,118	-	-	-	-	-	-
Intermediate sources	-	-	-	-	89,001	586,204	-	-	-	-
State sources	-	-	-	11,578	-	-	6,707	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	46,675	12,696	89,001	586,204	6,707	-	-	-
Disbursements:										
Instruction	-	-	-	11,325	-	-	-	-	-	2
Support services	-	-	-	-	47,096	586,204	10,150	-	5	-
Noninstructional services	-	-	47,930	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	47,930	11,325	47,096	586,204	10,150	-	5	2
Excess (deficiency) of receipts over disbursements	-	-	(1,255)	1,371	41,905	-	(3,443)	-	(5)	(2)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,255)	1,371	41,905	-	(3,443)	-	(5)	(2)
Cash and investments - ending	\$ -	\$ 744	\$ 733	\$ 4,018	\$ -	\$ -	\$ (3,443)	\$ 99	\$ -	\$ -

PERRY CENTRAL 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)

	Regional Art Comm Grant	Recycling Grant 09-10	Natural Helpers 09-10	Indiana Youth Services Grant	Youth Services Grant 2014-2016	Lights On Comm Alliance Grant	High Ability Grant 12-13	High Ability Grant 13-14	High Ability Grant 14-15
Cash and investments - beginning	\$ 468	\$ 756	\$ 693	\$ -	\$ -	\$ 119	\$ 4,402	\$ -	\$ -
Receipts:									
Local sources	-	-	-	39,260	-	25	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	5	28,641	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	39,260	-	25	5	28,641	-
Disbursements:									
Instruction	-	-	-	12,684	-	-	4,402	20,773	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	756	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	756	-	12,684	-	-	4,402	20,773	-
Excess (deficiency) of receipts over disbursements	-	(756)	-	26,576	-	25	(4,397)	7,868	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(756)	-	26,576	-	25	(4,397)	7,868	-
Cash and investments - ending	\$ 468	\$ -	\$ 693	\$ 26,576	\$ -	\$ 144	\$ 5	\$ 7,868	\$ -

PERRY CENTRAL 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)

	GED Testing Fund	Continuing Education Evenstart	PY CO Tobacco Prev & Cessation	PY CO Substance Abuse	Perry County Sub Abuse 09-10	Perry County Sub Abuse 2010-2011	Substance Abuse Grant 2012-2013	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 871	\$ 2,593	\$ 442	\$ 25	\$ 445	\$ 341	\$ 2,741	\$ 21,748	\$ -
Receipts:									
Local sources	1,549	4,000	-	-	-	-	4,387	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	34,756	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,549</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,387</u>	<u>34,756</u>	<u>-</u>
Disbursements:									
Instruction	2,371	3,100	-	25	-	-	2,801	20,788	-
Support services	-	-	-	-	-	-	-	-	50,000
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,371</u>	<u>3,100</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>2,801</u>	<u>20,788</u>	<u>50,000</u>
Excess (deficiency) of receipts over disbursements	<u>(822)</u>	<u>900</u>	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>1,586</u>	<u>13,968</u>	<u>(50,000)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(822)</u>	<u>900</u>	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>1,586</u>	<u>13,968</u>	<u>(50,000)</u>
Cash and investments - ending	<u>\$ 49</u>	<u>\$ 3,493</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 445</u>	<u>\$ 341</u>	<u>\$ 4,327</u>	<u>\$ 35,716</u>	<u>\$ (50,000)</u>

PERRY CENTRAL 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)

	Donation	After School Program	Parent Outreach Program	Youth Service Bureau After School Program	PC Student Activities Fund	Welborn Wellness Grant	OMHS Wellness Grant 2011-2012	Welborn Grant 12-13 Heroes	Welborn Grant Heroes 13-14
Cash and investments - beginning	\$ 15,143	\$ 4,146	\$ 22,192	\$ 3,063	\$ 137	\$ 2,490	\$ 2	\$ 14,080	\$ -
Receipts:									
Local sources	36,980	432	14,552	-	165	-	-	4,050	25,345
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>36,980</u>	<u>432</u>	<u>14,552</u>	<u>-</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>4,050</u>	<u>25,345</u>
Disbursements:									
Instruction	11,556	1,113	-	2,736	55	-	-	-	-
Support services	16,535	-	-	-	-	-	-	-	-
Noninstructional services	2,076	-	7,154	-	-	602	-	18,130	14,784
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>30,167</u>	<u>1,113</u>	<u>7,154</u>	<u>2,736</u>	<u>55</u>	<u>602</u>	<u>-</u>	<u>18,130</u>	<u>14,784</u>
Excess (deficiency) of receipts over disbursements	<u>6,813</u>	<u>(681)</u>	<u>7,398</u>	<u>(2,736)</u>	<u>110</u>	<u>(602)</u>	<u>-</u>	<u>(14,080)</u>	<u>10,561</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,813</u>	<u>(681)</u>	<u>7,398</u>	<u>(2,736)</u>	<u>110</u>	<u>(602)</u>	<u>-</u>	<u>(14,080)</u>	<u>10,561</u>
Cash and investments - ending	<u>\$ 21,956</u>	<u>\$ 3,465</u>	<u>\$ 29,590</u>	<u>\$ 327</u>	<u>\$ 247</u>	<u>\$ 1,888</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 10,561</u>

PERRY CENTRAL 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)

	School Technology 2010-2011	Performance Based Awards	ISTA Settlement	Digital Learning Grant 2014-2015	Title I 2008-2009	Title I 2013-2014	Title I 2014-2015	Sp Ed Improvement Grant 2013	Career Incentive
Cash and investments - beginning	\$ 1,723	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 201
Receipts:									
Local sources	-	-	376,166	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	5,357	80,042	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	89,118	-	8,683	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,357	80,042	376,166	-	-	89,118	-	8,683	-
Disbursements:									
Instruction	-	80,042	376,166	-	-	89,118	-	8,683	-
Support services	5,638	-	-	1,512	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,638	80,042	376,166	1,512	-	89,118	-	8,683	-
Excess (deficiency) of receipts over disbursements	(281)	-	-	(1,512)	-	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(281)	-	-	(1,512)	-	-	-	-	-
Cash and investments - ending	\$ 1,442	\$ -	\$ -	\$ (1,512)	\$ 1	\$ -	\$ -	\$ -	\$ 201

PERRY CENTRAL 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)

	Drug Free Schools 07-09	Title IV Safe & Drug Free	Nutrition Grant 2010-2011	21st Century Grant Elem 13-14	21st Century Grant HS 12-13	21st Century Elem Cohort 7	21st Century Cohort 6 2014-2015	21st Century Cohort 7 Supplemental	21st Century Cohort 6 Supplemental
Cash and investments - beginning	\$ 2	\$ 2	\$ 155	\$ (3,563)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	500	125,000	100,000	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	500	125,000	100,000	-	-	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	14,389	2,182	-	-	-	-
Noninstructional services	-	-	372	107,048	97,818	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	372	121,437	100,000	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	128	3,563	-	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	128	3,563	-	-	-	-	-
Cash and investments - ending	\$ 2	\$ 2	\$ 283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PERRY CENTRAL 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)

	21st Century Regular Grant 15-16	21st Century Cohort 6 15-16	McKinney Vento Grant 12-13	Innovation Grant 2013-2014	McKinney Vento Grant 13-14	McKinney Vento Homeless Grant	ICJI - EUDL Grant 2013-2014	EUDL Grant 2015	Innovative CTE Grant
Cash and investments - beginning	\$ -	\$ -	\$ (5,581)	\$ (598)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	27,141	169,257	3,230	-	32,500	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	27,141	169,257	3,230	-	32,500	-	-
Disbursements:									
Instruction	-	-	-	153,050	-	-	-	-	-
Support services	-	-	21,560	16,448	7,327	-	32,500	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	21,560	169,498	7,327	-	32,500	-	-
Excess (deficiency) of receipts over disbursements	-	-	5,581	(241)	(4,097)	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	5,581	(241)	(4,097)	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (839)</u>	<u>\$ (4,097)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PERRY CENTRAL 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)

	Title II Part A	Title IIA Improving Teacher	Title II Part A Elearning	E-Learning Grant 2014-2015	Title II Part A 2015	Title V Proj # 06-6325	Payroll Withholdings	Clearing	Totals
Cash and investments - beginning	\$ (2,800)	\$ -	\$ -	\$ -	\$ -	\$ 184	\$ 44,883	\$ -	\$ 4,003,490
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,495,571
Intermediate sources	-	-	-	-	-	-	-	-	675,331
State sources	-	-	-	-	-	-	-	-	8,008,271
Federal sources	21,518	6,418	14,963	-	-	-	-	-	1,015,607
Temporary loans	-	-	-	-	-	-	-	-	2,715
Other receipts	-	-	-	-	-	-	1,987,275	303,585	2,290,860
Total receipts	21,518	6,418	14,963	-	-	-	1,987,275	303,585	15,488,355
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	6,470,410
Support services	17,271	10,982	12,553	-	-	184	-	-	4,301,672
Noninstructional services	-	-	603	-	-	-	-	-	891,060
Facilities acquisition and construction	-	-	-	-	-	-	-	-	276,018
Debt services	-	-	-	-	-	-	-	-	1,250,290
Nonprogrammed charges	-	-	-	-	-	-	1,985,264	303,585	2,288,849
Total disbursements	17,271	10,982	13,156	-	-	184	1,985,264	303,585	15,478,299
Excess (deficiency) of receipts over disbursements	4,247	(4,564)	1,807	-	-	(184)	2,011	-	10,056
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	300,000
Transfers out	-	-	-	-	-	-	-	-	(300,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,247	(4,564)	1,807	-	-	(184)	2,011	-	10,056
Cash and investments - ending	\$ 1,447	\$ (4,564)	\$ 1,807	\$ -	\$ -	\$ -	\$ 46,894	\$ -	\$ 4,013,546

PERRY CENTRAL 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, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,527,307	\$ 338,992	\$ 35,582	\$ 176,214	\$ 317,881	\$ 90,995	\$ 491,690	\$ 146,885	\$ 405,872	\$ 340,307
Receipts:										
Local sources	102,775	555,116	212,772	722,807	853,652	126,396	-	-	234,791	89,194
Intermediate sources	112	-	-	-	-	-	-	-	-	-
State sources	7,504,334	-	-	-	-	-	-	-	-	35,382
Federal sources	158,297	-	-	-	-	-	-	-	284,781	-
Temporary loans	-	-	-	-	-	-	-	5,507	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>7,765,518</u>	<u>555,116</u>	<u>212,772</u>	<u>722,807</u>	<u>853,652</u>	<u>126,396</u>	<u>-</u>	<u>5,507</u>	<u>519,572</u>	<u>124,576</u>
Disbursements:										
Instruction	6,358,690	-	-	-	-	-	-	-	-	-
Support services	2,006,167	-	-	383,282	872,040	147,196	-	-	-	169,225
Noninstructional services	8,131	-	-	-	-	-	-	-	509,757	-
Facilities acquisition and construction	-	-	-	65,596	-	-	-	103,740	-	-
Debt services	-	506,568	208,737	78,984	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>8,372,988</u>	<u>506,568</u>	<u>208,737</u>	<u>527,862</u>	<u>872,040</u>	<u>147,196</u>	<u>-</u>	<u>103,740</u>	<u>509,757</u>	<u>169,225</u>
Excess (deficiency) of receipts over disbursements	<u>(607,470)</u>	<u>48,548</u>	<u>4,035</u>	<u>194,945</u>	<u>(18,388)</u>	<u>(20,800)</u>	<u>-</u>	<u>(98,233)</u>	<u>9,815</u>	<u>(44,649)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	1,175	-	-	-	-	-
Transfers in	-	-	-	-	75,663	-	-	-	-	-
Transfers out	-	(15,580)	(6,948)	(19,871)	(26,407)	(6,857)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(15,580)</u>	<u>(6,948)</u>	<u>(19,871)</u>	<u>50,431</u>	<u>(6,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(607,470)</u>	<u>32,968</u>	<u>(2,913)</u>	<u>175,074</u>	<u>32,043</u>	<u>(27,657)</u>	<u>-</u>	<u>(98,233)</u>	<u>9,815</u>	<u>(44,649)</u>
Cash and investments - ending	<u>\$ 919,837</u>	<u>\$ 371,960</u>	<u>\$ 32,669</u>	<u>\$ 351,288</u>	<u>\$ 349,924</u>	<u>\$ 63,338</u>	<u>\$ 491,690</u>	<u>\$ 48,652</u>	<u>\$ 415,687</u>	<u>\$ 295,658</u>

PERRY CENTRAL 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, 2015  
 (Continued)

	Levy Excess	Jasper Art Association	Child Care Program	Alternative Education	SS/HS Grant 2012-2013	SS/HS Grant Yr 5	Safe Haven Grant 2013-2014	Teacher Mini Grants Alliance	The Schergens Grant 08/09	Community Foundation Alliance
Cash and investments - beginning	\$ -	\$ 744	\$ 733	\$ 4,018	\$ -	\$ -	\$ (3,443)	\$ 99	\$ -	\$ -
Receipts:										
Local sources	-	-	41,274	1,019	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	8,435	-	-	3,443	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	41,274	9,454	-	-	3,443	-	-	-
Disbursements:										
Instruction	-	-	-	8,684	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	42,007	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	42,007	8,684	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(733)	770	-	-	3,443	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	75,663	-	-	-	-	-	-	-	-	-
Transfers out	(75,663)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(733)	770	-	-	3,443	-	-	-
Cash and investments - ending	\$ -	\$ 744	\$ -	\$ 4,788	\$ -	\$ -	\$ -	\$ 99	\$ -	\$ -

PERRY CENTRAL 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, 2015  
 (Continued)

	Regional Art Comm Grant	Recycling Grant 09-10	Natural Helpers 09-10	Indiana Youth Services Grant	Youth Services Grant 2014-2016	Lights On Comm Alliance Grant	High Ability Grant 12-13	High Ability Grant 13-14	High Ability Grant 14-15
Cash and investments - beginning	\$ 468	\$ -	\$ 693	\$ 26,576	\$ -	\$ 144	\$ 5	\$ 7,868	\$ -
Receipts:									
Local sources	-	-	-	-	35,940	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	28,729
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	35,940	-	-	-	28,729
Disbursements:									
Instruction	-	-	-	26,576	39,988	-	-	7,868	14,955
Support services	-	-	100	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	100	26,576	39,988	-	-	7,868	14,955
Excess (deficiency) of receipts over disbursements	-	-	(100)	(26,576)	(4,048)	-	-	(7,868)	13,774
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	-	-	(100)	(26,576)	(4,048)	-	-	(7,868)	13,774
Cash and investments - ending	\$ 468	\$ -	\$ 593	\$ -	\$ (4,048)	\$ 144	\$ 5	\$ -	\$ 13,774

PERRY CENTRAL 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, 2015  
 (Continued)

	GED Testing Fund	Continuing Education Evenstart	PY CO Tobacco Prev & Cessation	PY CO Substance Abuse	Perry County Sub Abuse 09-10	Perry County Sub Abuse 2010-2011	Substance Abuse Grant 2012-2013	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 49	\$ 3,493	\$ 442	\$ -	\$ 445	\$ 341	\$ 4,327	\$ 35,716	\$ (50,000)
Receipts:									
Local sources	820	4,000	-	-	-	-	130	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	25,112	46,506
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>820</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>25,112</u>	<u>46,506</u>
Disbursements:									
Instruction	780	1,781	-	-	-	-	3,185	20,511	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>780</u>	<u>1,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,185</u>	<u>20,511</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>40</u>	<u>2,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,055)</u>	<u>4,601</u>	<u>46,506</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>40</u>	<u>2,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,055)</u>	<u>4,601</u>	<u>46,506</u>
Cash and investments - ending	<u>\$ 89</u>	<u>\$ 5,712</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 445</u>	<u>\$ 341</u>	<u>\$ 1,272</u>	<u>\$ 40,317</u>	<u>\$ (3,494)</u>

PERRY CENTRAL 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, 2015  
 (Continued)

	Donation	After School Program	Parent Outreach Program	Youth Service Bureau After School Program	PC Student Activities Fund	Welborn Wellness Grant	OMHS Wellness Grant 2011-2012	Welborn Grant 12-13 Heroes	Welborn Grant Heroes 13-14
Cash and investments - beginning	\$ 21,956	\$ 3,465	\$ 29,590	\$ 327	\$ 247	\$ 1,888	\$ 2	\$ -	\$ 10,561
Receipts:									
Local sources	71,507	66	15,371	-	2,506	-	-	-	29,600
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>71,507</u>	<u>66</u>	<u>15,371</u>	<u>-</u>	<u>2,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,600</u>
Disbursements:									
Instruction	41,557	72	-	327	146	-	-	-	-
Support services	20,887	-	-	-	-	-	2	-	-
Noninstructional services	1,695	-	43,743	-	-	1,750	-	-	40,161
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>64,139</u>	<u>72</u>	<u>43,743</u>	<u>327</u>	<u>146</u>	<u>1,750</u>	<u>2</u>	<u>-</u>	<u>40,161</u>
Excess (deficiency) of receipts over disbursements	<u>7,368</u>	<u>(6)</u>	<u>(28,372)</u>	<u>(327)</u>	<u>2,360</u>	<u>(1,750)</u>	<u>(2)</u>	<u>-</u>	<u>(10,561)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,368</u>	<u>(6)</u>	<u>(28,372)</u>	<u>(327)</u>	<u>2,360</u>	<u>(1,750)</u>	<u>(2)</u>	<u>-</u>	<u>(10,561)</u>
Cash and investments - ending	<u>\$ 29,324</u>	<u>\$ 3,459</u>	<u>\$ 1,218</u>	<u>\$ -</u>	<u>\$ 2,607</u>	<u>\$ 138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PERRY CENTRAL 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, 2015  
 (Continued)

	School Technology 2010-2011	Performance Based Awards	ISTA Settlement	Digital Learning Grant 2014-2015	Title I 2008-2009	Title I 2013-2014	Title I 2014-2015	Sp Ed Improvement Grant 2013	Career Incentive
Cash and investments - beginning	\$ 1,442	\$ -	\$ -	\$ (1,512)	\$ 1	\$ -	\$ -	\$ -	\$ 201
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	5,409	150,000	-	100,000	-	-	-	-	-
Federal sources	-	-	-	-	-	-	73,552	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,409	150,000	-	100,000	-	-	73,552	-	-
Disbursements:									
Instruction	-	150,000	-	-	-	-	78,528	-	-
Support services	5,357	-	-	30,088	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	68,400	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,357	150,000	-	98,488	-	-	78,528	-	-
Excess (deficiency) of receipts over disbursements	52	-	-	1,512	-	-	(4,976)	-	-
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	52	-	-	1,512	-	-	(4,976)	-	-
Cash and investments - ending	\$ 1,494	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ (4,976)	\$ -	\$ 201

PERRY CENTRAL 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, 2015  
 (Continued)

	Drug Free Schools 07-09	Title IV Safe & Drug Free	Nutrition Grant 2010-2011	21st Century Grant Elem 13-14	21st Century Grant HS 12-13	21st Century Elem Cohort 7	21st Century Cohort 6 2014-2015	21st Century Cohort 7 Supplemental	21st Century Cohort 6 Supplemental
Cash and investments - beginning	\$ 2	\$ 2	\$ 283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	15	149,752	110,739	4,617	25,807
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	15	149,752	110,739	4,617	25,807
Disbursements:									
Instruction	2	2	-	-	-	-	-	-	-
Support services	-	-	-	-	-	2,192	1,731	1,401	1,265
Noninstructional services	-	-	283	-	-	154,201	102,178	72,316	40,254
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2	2	283	-	-	156,393	103,909	73,717	41,519
Excess (deficiency) of receipts over disbursements	(2)	(2)	(283)	-	15	(6,641)	6,830	(69,100)	(15,712)
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	(2)	(2)	(283)	-	15	(6,641)	6,830	(69,100)	(15,712)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ (6,641)	\$ 6,830	\$ (69,100)	\$ (15,712)

PERRY CENTRAL 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, 2015  
 (Continued)

	21st Century Regular Grant 15-16	21st Century Cohort 6 15-16	McKinney Vento Grant 12-13	Innovation Grant 2013-2014	McKinney Vento Grant 13-14	McKinney Vento Homeless Grant	ICJI - EUDL Grant 2013-2014	EUDL Grant 2015	Innovative CTE Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (839)	\$ (4,097)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	1,743	4,270	12,000	-	-	56,485
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,743	4,270	12,000	-	-	56,485
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	52,395
Support services	1,938	-	-	904	173	12,000	-	1,528	5,121
Noninstructional services	7,309	800	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	9,247	800	-	904	173	12,000	-	1,528	57,516
Excess (deficiency) of receipts over disbursements	(9,247)	(800)	-	839	4,097	-	-	(1,528)	(1,031)
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	(9,247)	(800)	-	839	4,097	-	-	(1,528)	(1,031)
Cash and investments - ending	<u>\$ (9,247)</u>	<u>\$ (800)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,528)</u>	<u>\$ (1,031)</u>

PERRY CENTRAL 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, 2015  
 (Continued)

	Title II Part A	Title IIA Improving Teacher	Title II Part A Elearning	E-Learning Grant 2014-2015	Title II Part A 2015	Title V Proj # 06-6325	Payroll Withholdings	Clearing	Totals
Cash and investments - beginning	\$ 1,447	\$ (4,564)	\$ 1,807	\$ -	\$ -	\$ -	\$ 46,894	\$ -	\$ 4,013,546
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,099,736
Intermediate sources	-	-	-	-	-	-	-	-	112
State sources	-	-	-	-	-	-	-	-	7,907,350
Federal sources	-	25,074	1,537	11,883	8,359	-	-	-	928,911
Temporary loans	-	-	-	-	-	-	-	-	5,507
Other receipts	-	-	-	-	-	-	2,046,459	460,655	2,507,114
Total receipts	-	25,074	1,537	11,883	8,359	-	2,046,459	460,655	14,448,730
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	6,806,047
Support services	-	18,965	2,844	10,159	10,620	-	-	-	3,705,185
Noninstructional services	-	-	-	3,696	-	-	-	-	1,028,281
Facilities acquisition and construction	-	-	-	-	-	-	-	-	237,736
Debt services	-	-	-	-	-	-	-	-	794,289
Nonprogrammed charges	-	-	-	-	-	-	2,028,747	473,886	2,502,633
Total disbursements	-	18,965	2,844	13,855	10,620	-	2,028,747	473,886	15,074,171
Excess (deficiency) of receipts over disbursements	-	6,109	(1,307)	(1,972)	(2,261)	-	17,712	(13,231)	(625,441)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	1,175
Transfers in	-	-	-	-	-	-	-	-	151,326
Transfers out	-	-	-	-	-	-	-	-	(151,326)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,175
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,109	(1,307)	(1,972)	(2,261)	-	17,712	(13,231)	(624,266)
Cash and investments - ending	\$ 1,447	\$ 1,545	\$ 500	\$ (1,972)	\$ (2,261)	\$ -	\$ 64,606	\$ (13,231)	\$ 3,389,280

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Perry Central Multi-School Building Corporation	Renovation	\$ 87,500	3/11/2013	12/31/2026
Total of annual lease payments		<u>\$ 87,500</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	School Retirement/Severance	\$ 1,500,000
Common school loan	Construction of new classrooms	2,802,500
Notes and loans payable	Technology Loan	<u>61,129</u>
Total governmental activities		<u>4,363,629</u>
Totals		<u>\$ 4,363,629</u>

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2015

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	\$ 82,000
Buildings	18,784,621
Improvements other than buildings	2,088,322
Machinery, equipment, and vehicles	2,262,926
Total governmental activities	23,217,869
Total capital assets	\$ 23,217,869

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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 PERRY CENTRAL COMMUNITY  
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

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

We have audited the Perry Central 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, 2013 to June 30, 2015. 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.

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

***Basis for Disclaimer of Opinion on Child Nutrition Cluster***

As described in items 2015-004, 2015-007, 2015-009, and 2015-011 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient documentation supporting the compliance of the School Corporation with the Child Nutrition Cluster requirements regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Program Income, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), nor were we able to satisfy ourselves as to the School Corporation's compliance with those requirements by other auditing procedures.

***Disclaimer of Opinion on Child Nutrition Cluster***

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion on Child Nutrition Cluster* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the School Corporation's compliance with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2013 to June 30, 2015.

***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, 2013 to June 30, 2015.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-005, 2015-006, 2015-008, 2015-010, 2015-012, 2015-013, and 2015-014. Our opinion on each major federal program is not modified with respect to these matters.

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

***Report on Internal Control over Compliance***

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

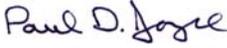
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

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 2015-003, 2015-013, and 2015-014 to be material weaknesses.

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

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

July 12, 2016

#### 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.

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015

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	Pass-Through To Subrecipients 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipients 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
	Indiana Department of Education	10.553					
			FY 13/14	\$ -	\$ 43,861	\$ -	\$ -
			FY 14/15	-	-	-	52,724
Total - School Breakfast Program				-	43,861	-	52,724
National School Lunch Program							
School Lunch							
	Indiana Department of Education	10.555					
			FY 13/14	-	215,121	-	-
			FY 14/15	-	-	-	223,414
School Lunch Commodities				-	41,557	-	-
			FY 13/14	-	-	-	-
			FY 14/15	-	-	-	44,165
Total - National School Lunch Program				-	256,678	-	267,579
Total - Child Nutrition Cluster				-	300,539	-	320,303
Child and Adult Care Food Program							
	Indiana Department of Education	10.558					
			FY 13/14	-	14,104	-	-
			FY 14/15	-	-	-	25,193
Total - Child and Adult Care Food Program				-	14,104	-	25,193
Team Nutrition Grants							
	Indiana Department of Education	10.574					
			A58-1-115F-010	-	372	-	283
Total - Department of Agriculture				-	315,015	-	345,779
<u>Department of Justice</u>							
Enforcing Underage Drinking Laws Program							
	Indiana Criminal Justice Institute	16.727					
			FY 13/14	-	32,500	-	-
Total - Department of Justice				-	32,500	-	-
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies							
	Indiana Department of Education	84.010					
			FY 13/14	-	89,118	-	-
			FY 14/15	-	-	-	73,552
Total - Title I Grants to Local Educational Agencies				-	89,118	-	73,552
Special Education Cluster (IDEA)							
Special Education_Grants to States							
	Indiana Department of Education	84.027					
			14213-011-PN01	-	117,986	-	11,071
			14214-011-PN01	-	124,940	-	112,020
			14215-011-PN01	-	-	-	114,589
			99914-011-TA01	-	3,298	-	1,967
			A58313-DL-1423	-	8,683	-	-
Total - Special Education_Grants to States				-	254,907	-	239,647
Special Education_Preschool Grants							
	Indiana Department of Education	84.173					
			45713-011-PN01	-	2,693	-	-
			45714-011-PN01	-	2,285	-	2,845
			45715-011-PN01	-	-	-	2,100
Total - Special Education_Preschool Grants				-	4,978	-	4,945
Total - Special Education Cluster (IDEA)				-	259,885	-	244,592

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015  
(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	Pass-Through To Subrecipients 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipients 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>							
Impact Aid	Direct Grant	84.041					
			FY 13/14	-	158,297	-	-
			FY 14/15	-	-	-	158,297
Total - Impact Aid				-	158,297	-	158,297
Safe and Drug-Free Schools and Communities-National Programs	Direct Grant	84.184					
			Q184L090440-13	-	89,001	-	-
			Q184L090440-14	-	586,204	-	-
Total - Safe and Drug-Free School and Communities-National Programs				-	675,205	-	-
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
			FY 12/13	-	27,141	-	-
			FY 13/14	-	3,230	-	4,270
			FY 14/15	-	-	-	12,000
Total - Education for Homeless Children and Youth				-	30,371	-	16,270
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
			A58-0-10DL-0120	-	125,000	-	-
			A58-5-15DL-0131	-	-	-	154,369
			A58-4-14OT-0021	-	100,000	-	-
			A58-5-15DL-2227	-	-	-	136,546
Total - Twenty-First Century Community Learning Centers				-	225,000	-	290,915
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II Part A 11/12			12-6325	-	21,175	-	-
Title II Part A FY 2013			13-6325	-	6,418	-	25,074
Title II Part A E-Learning Conf Grant 2014			14-6325	-	14,463	-	1,537
Title II Part A FY 2014			14-6325	-	-	-	8,359
Title II Part A E-Learning Conf Grant 2015			15-6325	-	-	-	11,883
Total - Improving Teacher Quality State Grants				-	42,056	-	46,853
Total - Department of Education				-	1,744,795	-	1,080,016
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
			FY 13/14	-	34,714	-	-
			FY 14/15	-	-	-	25,074
Total - Medicaid Cluster				-	34,714	-	25,074
Total - Department of Health and Human Services				-	34,714	-	25,074
Total federal awards expended				\$ -	\$ 1,862,161	\$ -	\$ 1,201,332

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

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) 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. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 3. *Exceptional Children's Cooperative***

The School Corporation is a member of the Exceptional Children's Cooperative (Cooperative). The 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 of the School Corporation.

PERRY CENTRAL 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:	Disclaimed for Child Nutrition Cluster; Unmodified for all other 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
	Special Education Cluster (IDEA)
84.287	Twenty-First Century Community Learning Grants

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The School Corporation did not have a system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

The following errors were identified: six federal grants were omitted; commodities for the National School Lunch Program were not included; four grants had incorrect amounts reported; program titles and pass-through entities were incorrect for five grants. In total, the SEFA was understated by \$839,146 for the audit period. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Criteria*

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.

PERRY CENTRAL 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."

*Cause*

Management had not established a system of internal control that would have ensured accurate and complete reporting of the federal expenditures on the SEFA.

*Effect*

The failure to establish a proper system of internal control enabled material misstatements of the SEFA to occur.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting that are considered material weaknesses.

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to the following audit areas:
  - a. Cash and Investments - The bank reconcilements for the School Corporation funds were prepared by the School Corporation Treasurer. The bank reconcilements for the extra-curricular funds, which included School Lunch and Textbook Rental funds, were performed by the Extracurricular Treasurer. There was no oversight, review, or approval of the bank reconciliations to ensure they were being prepared accurately and completely.  
  
Incorrect bank reconcilements were performed for the extracurricular funds during the audit period. The extracurricular funds ledger was overstated by \$6,594 and \$6,343 as of June 30, 2014 and 2015, respectively, when compared to the reconciled bank balance.
  - b. Receipts - The Corporation Treasurer was solely responsible for posting all receipts to the School Corporation ledger. The Extracurricular Treasurer was solely responsible for posting all School Lunch receipts to the extracurricular ledger. There was no oversight, review, or approval process to ensure that all receipts were posted correctly.
  - c. Disbursements - All disbursements for the School Lunch fund were processed by the Extracurricular Treasurer. There was no oversight, review, or approval process to ensure that all disbursements were posted correctly.
2. Monitoring of Controls: An evaluation of the School Corporation's system of internal control had not been conducted. Additionally, the School Corporation had no process to identify or communicate corrective actions to improve controls.

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

*Criteria*

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)

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

*Cause*

Management of the School Corporation had not established a proper system of internal control, including segregation of duties, that would have ensured that misstatements were prevented, or detected and corrected, in a timely manner.

*Effect*

The failure to establish controls enabled material misstatements to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

**FINDING 2015-003 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Procurement and Suspension and Debarment, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), School Food Accounts, and Paid Lunch Equity.

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

*Activities Allowed or Unallowed and Special Tests and Provisions - School Food Accounts*

An effective internal control system was not in place to ensure that all transactions paid from and recorded in the School Lunch fund were related to the operation of the school food service program.

*Allowable Costs/Cost Principles*

An effective internal control system was not in place to ensure that documentation was maintained to support the employees' time worked on federal programs.

*Cash Management*

An effective internal control system was not in place to ensure that the School Lunch fund monthly cash balances did not exceed the average expenditures for three months.

*Eligibility*

An effective internal control system was not in place to ensure that all records related to eligibility determination were retained and available for audit. Application information was entered into cafeteria software, which automatically made the determination dependent on the information entered into the system. There was no segregation of duties, such as an oversight, review, or approval process to ensure the information was correctly entered into the system.

*Procurement and Suspension and Debarment*

An effective internal control system was not in place to ensure that contracts were entered into with the successful quoters and that suspension and debarment verifications were completed.

*Program Income*

An effective internal control system was not in place to ensure that program income was properly receipted and recorded into the School Lunch fund and that all reports supporting program income were retained and available for audit.

*Reporting*

An effective internal control system was not in place to ensure that the monthly Sponsor Claims (claims for reimbursement), Annual Financial Reports, and Verification Summaries were accurately prepared and submitted. There was no segregation of duties, such as an oversight, review, or approval process.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)*

An effective internal control system was not in place to ensure that verification of free and reduced price applications was completed and that the supporting documentation of the verification process was retained and available for audit. There was no segregation of duties, such as an oversight, review, or approval process.

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

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)*

An effective internal control system was not in place to ensure that the weighted-average paid lunch price calculations were completed and that the paid lunch prices were established accordingly.

*Context*

This was a systemic problem within the School Breakfast and National School Lunch programs. Controls did not exist over the compliance requirements listed above during the audit period.

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls, including segregation of duties, that would have ensured that the School Corporation complied with the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system could have enabled material noncompliance with the grant agreement and the compliance requirements to occur.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-004 - ACTIVITIES ALLOWED OR UNALLOWED AND  
SPECIAL TESTS AND PROVISIONS - SCHOOL FOOD ACCOUNTS**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

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

*Condition*

Transactions were posted to the School Lunch fund for activities that were not related to the operation of the school food service program. These transactions were for the operation of school-wide vending machines and purchases of additional food items that were subsequently sold to staff.

School Corporation staff contacted the Cafeteria Manager and requested the purchase of additional items that the Cafeteria Manager would then add to the orders submitted for the school food service program. The items were subsequently sold to the staff at cost and all money was deposited into the School Lunch fund. Records were not available for audit to determine the total amount of additional items that were purchased or to ensure that all additional items purchased were subsequently paid for by the staff.

*Context*

The vending machines were located throughout the school buildings and all transactions were accounted for in the School Lunch fund until December 2014. The purchase of additional food items was a systemic issue, occurring throughout the entire audit period.

*Criteria*

7 CFR 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall. . . , with respect to participating schools under its jurisdiction: . . .

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

*Effect*

The failure to establish controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with Activities Allowed or Unallowed and Special Tests and Provisions - School Food Accounts requirements.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would ensure that records were retained and available for audit.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-005 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.533, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation did not maintain documentation to support employees' salaries and wages charged to the federal programs. For those employees that were paid entirely from the School Breakfast and National School Lunch programs (school food service program), time sheets were maintained; however, there were no employee or supervisor signatures certifying that the work was performed by the employee. Additionally, other periodic certifications that the employees worked solely on a specific program were not maintained during the audit period.

There were three employees that had a portion of their wages paid from the school food service program. No documentation was available to support the portion of their wages that was charged to the program. Personnel Activity Reports were not maintained for these employees.

*Context*

During the audit period, timesheets for hourly employees were never signed by the employee and were only signed by the immediate supervisor if the hours worked by the employee exceeded their normal scheduled hours. No other periodic certifications were being maintained during the audit period.

The salaries of the School Secretary and the Extracurricular Treasurer were paid at a rate of 35 percent and 32.5 percent, respectively, out of the school food service program. These two positions were filled by three different employees during the audit period. Records were not available for audit to verify the percentage of time worked on the federal program.

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

*Criteria*

OMB A-87, Attachment B, Item 8(h), states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles requirements.

*Effect*

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

Wages paid from the school food service program to the three employees with prorated time totaled \$58,218 during the audit period and are considered to be questioned costs.

*Recommendation*

We recommended that the School Corporation comply with the Allowable Costs/Cost Principles requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

***FINDING 2015-006 - CASH MANAGEMENT***

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15  
Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation's cash balance exceeded the average expenditures for three months by an average of approximately \$234,767 per month. The average expenditures for three months for 2013-2014 and 2014-2015 were \$174,302 and \$152,729, respectively.

*Context*

This was a systemic issue. The ending cash balance of the School Lunch fund was greater than the average expenditures for three months throughout the audit period.

*Criteria*

7 CFR 210.14(b) states:

*"Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with §210.19(a)."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . , with respect to participating schools under its jurisdiction: . . .

- (1) . . . (iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Cash Management requirements.

*Effect*

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no question costs identified.

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

*Recommendation*

We recommended that the School Corporation comply with the Cash Management requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-007 - ELIGIBILITY***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation participated in the school food service program and based students' eligibility status on the information recorded in the cafeteria software. The School Corporation relied on the eligibility designations within the software as the program was administered. The software used during 2013-2014 was replaced with new cafeteria software for the 2014-2015 school year.

The School Corporation was not able to access the cafeteria software that was used during the 2013-2014 school year; therefore, eligibility testing for that year could not be performed.

*Context*

For the 2013-2014 school year, eligibility testing could not be performed due to not having access to the cafeteria software that was used during that year.

For the 2014-2015 school year, there was no audit evidence available for 35 of the 40 accounts tested to verify that households were notified of the eligibility determination that was made by the School Corporation. For 2 of the 40 accounts tested, there was no evidence that an application had been filed; however, the families were receiving benefits.

*Criteria*

7 CFR 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

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

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall. . . , with respect to participating schools under its jurisdiction: . . .

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit;. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

*Effect*

The failure to establish controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with Eligibility requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-008 - PROCUREMENT AND SUSPENSION AND DEBARMENT***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation solicited quotes for the purchase of dairy products for the school food service program for each school year. The School Board accepted the quotes during public meetings; however, no contracts were signed with the successful vendor. The School Corporation did not verify that the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to accepting the quote.

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

*Context*

There were no contracts entered into for the purchase of dairy products, which exceeded \$25,000 for both school years. There was no evidence for either year that the School Corporation verified that the vendor was not suspended and debarred prior to accepting the quote.

*Criteria*

7 CFR 3016.36(b) states in part:

"*Procurement standards:*

- (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.
- (2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no question costs identified.

*Recommendation*

We recommended that the School Corporation comply with the Procurement and Suspension and Debarment requirements.

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

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-009 - PROGRAM INCOME**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

Daily records of cash receipts, which categorized the collections of the school food service program, were not retained for audit; therefore, it could not be determined whether the School Corporation was properly assessing, collecting, and recording program income generated from the school food service program.

All receipts from daily breakfast and lunch sales, as well as prepayments, were recorded in the School Lunch fund subaccount "elementary lunch." A separate fund was not used to account for the collections of prepaid meals.

*Context*

This was a systemic issue. It could not be determined whether the School Corporation was properly assessing, collecting, and recording program income generated throughout the audit period.

*Criteria*

7 CFR 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall. . . , with respect to participating schools under its jurisdiction: . . ."

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

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

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

*Effect*

The failure to establish a system of internal controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with Program Income requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-010 - REPORTING**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

The SNP Annual Financial Reports filed with the Indiana Department of Education for the fiscal years ending June 30, 2014 and 2015, were not supported by the School Corporation's financial records.

Both the Elementary and Jr/Sr High schools indicated that at least 40 percent of their student population were receiving free or reduced meal benefits; therefore, both schools qualified to be reimbursed at the severe needs reimbursement rate for all breakfasts served.

The monthly Sponsor Claims (claims for reimbursement) filed with the Indiana Department of Education from December 2014 through May 2015 indicated that only the breakfasts served to Jr/Sr High School students were the severe needs classification. The breakfasts served to the Elementary School students were incorrectly reported as regular reduced and free breakfasts served.

*Context*

This was a systemic issue. Neither SNP Annual Financial Reports filed during the audit period could be verified to the financial records of the School Corporation.

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

Six of the twenty monthly Sponsor Claims (claims for reimbursement) filed during the audit period, December 2014 through May 2015, were incorrect. There were a total of 9,352 meals reported as regular free breakfast and 1,225 meals reported as regular reduced breakfast at the Elementary School that should have been reported under the severe needs classification. The regular free and reduced breakfast meals served were reimbursed at a rate of \$1.62 and \$1.32 per meal, respectively, instead of \$1.93 and \$1.63 per meal, which was the severe needs breakfast rate. Due to these errors, the School Corporation did not claim \$3,279 of eligible meal reimbursements.

*Criteria*

7 CFR 210.8(a)(2) states in part:

*"School food authority claims review process.* Prior to the submission of a monthly Claim for Reimbursement, each school food authority shall review the lunch count data for each school under its jurisdiction to ensure the accuracy of the monthly Claim for Reimbursement. The objective of this review is to ensure that monthly claims include only the number of free, reduced price and paid lunches served on any day of operation to children currently eligible for such lunches. . . ."

7 CFR 3016.20(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. . . .
- (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc. . . . "

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Reporting requirements.

*Effect*

The failure to establish controls enabled material noncompliance to occur. Noncompliance with the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation ensure that all required reports are prepared accurately, in accordance with the Reporting requirements, and that reports are supported by source documentation.

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

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-011 - SPECIAL TESTS AND PROVISIONS - VERIFICATION OF  
FREE AND REDUCED PRICE APPLICATIONS (NSLP)**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

The Verification Summary for the 2013-2014 school year indicated that five applications were verified; however, documentation supporting the review process was not available indicating what actions had been taken and which applications were actually verified.

The Verification Summary for the 2014-2015 school year indicated that six applications were selected for verification; however, information was not available, for either year, to support the total number of applications that were reported on the Verification Summary in order to determine whether the correct number of applications was selected for verification.

*Context*

It could not be determined whether the verification process was correctly performed for either year of the audit period.

*Criteria*

7 CFR 210.15(b) states in part:

"*Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

- (4) Currently approved and denied applications for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title; . . ."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . , with respect to participating schools under its jurisdiction: . . .

- (14) Retain documentation of free or reduced price eligibility as follows:

- (i) Maintain files of currently approved and denied free and reduced price applications which must be readily retrievable by school for a period of three years after the end of the fiscal year to which they pertain; or

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(Continued)

(ii) Maintain files with the names of children currently approved for free meals through direct certification with the supporting documentation, as specified in §245.6(b)(4) of this chapter, which must be readily retrievable by school. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

*Effect*

The failure to establish a system of internal controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) requirements.

*Questioned Costs*

There were no question costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would ensure that records are retained and available for audit.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-012 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY***

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program

CFDA Number: 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation did not perform the weighted-average paid lunch price calculation for the 2014-2015 school year.

*Context*

The Indiana Department of Education performed the required weighted-average paid lunch price calculation on behalf of the School Corporation for the 2013-2014 school year and the weighted-average paid lunch price for the 2013-2014 school year, based on this calculation, was \$2.25. The actual weighted-average paid lunch price charged for the 2013-2014 school year was \$2.25; however this amount was not approved by the School Board.

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(Continued)

The School Corporation was required to perform the weighted-average paid lunch price calculation for the 2014-2015 school year. The School Corporation did not perform the calculation as required and it could not be determined if the Paid Lunch Equity requirement was met for the 2014-2015 school year. The paid lunch price remained at \$2.25.

*Criteria*

7 CFR 210.14(e) states in part:

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

(1) *Calculation procedures.* Each school food authority shall:

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

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (i.e., the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section

...

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Special Tests and Provisions - Paid Lunch Equity requirements.

*Effect*

The failure to establish controls enabled material noncompliance to occur. Noncompliance of the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no question costs identified.

*Recommendation*

We recommended that the School Corporation comply with the Special Tests and Provisions - Paid Lunch Equity requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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(Continued)

**FINDING 2015-013 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Education

Federal Program: Twenty-First Century Community Learning Centers

CFDA Number: 84.287

Federal Award Numbers and Years (or Other Identifying Numbers): A58-0-10DL-0120, A58-5-15DL-0131,  
A58-4-14OT-0021, A58-5-15DL-2227

Pass-Through Entity: Indiana Department of Education

*Condition*

Management of the School Corporation had not established an internal control system that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation did not maintain the documentation necessary to support the employees' salaries and wages charged to the federal program. For those employees that were paid entirely from the Twenty-First Century Community Learning Centers program, the School Corporation did not maintain any Semiannual Certifications that those employees worked solely on that program. For employees that had a portion of their wages paid from the Twenty-First Century Community Learning Centers program, the School Corporation did not maintain Personnel Activity Reports to ensure that payments were properly allocated between federal and non-federal funds.

*Context*

This was a systemic issue. There were no Semiannual Certifications or Personnel Activity Reports maintained throughout the audit period.

*Criteria*

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. . . ."

OMB A-87, Attachment B, Item 8(h) states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

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(Continued)

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation maintained documentation of employees' time worked on the federal program.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no question costs identified.

*Recommendation*

We recommended that the School Corporation's management develop and implement procedures and establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-014 - SUSPENSION AND DEBARMENT**

Federal Agency: Department of Education

Federal Program: Special Education\_Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-011-PN01, 14214-011-PN01,  
14215-011-PN01, 99914-011-TA01

Pass-Through Entity: Indiana Department of Education

The School Corporation was a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds.

*Condition*

Management of the Cooperative had not established an effective internal control system, to ensure compliance with requirements related to the grant agreement and the Suspension and Debarment compliance requirement.

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(Continued)

The Cooperative's Director signed the Application and Assurance Plan as a Condition of Federal Assistance, which stated that the Cooperative would check subcontractors to ensure they were not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal agency or by any department, agency, or political subdivision of the State of Indiana. However, the Cooperative did not have procedures in place to verify that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a contract with them.

*Context*

During the 2014-2015 school year, there were two contracts entered into that exceeded \$25,000. There was no evidence that the Cooperative verified that the vendors were not suspended or debarred prior to awarding the contracts.

*Criteria*

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. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed a system of internal controls that would have ensured that the Cooperative complied with the grant agreement and the Suspension and Debarment requirements.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

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(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Suspension and Debarment requirements listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

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

## Corrective Action Plan

### **Finding 2015-001**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Treasurer will prepare the SEFA and assistant superintendent will review it to ensure it is accurate and complete.

Anticipated Completion Date: Immediate

### **Finding 2015-002**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

In accordance with state law and the guidance from this audit, Perry Central is in the process of developing a policy to monitor controls and train employees.

In order to provide proper oversight and to document such oversight, the following actions will be conducted:

1. The superintendent will review and sign off on all corporation and extracurricular bank reconciliation statements and make sure that the balances agree with the ledger balances.
2. An agenda item has been added to each monthly board meeting documenting the distribution of an appropriation report, an expenditure report, and a revenue report. Board members are given an opportunity to ask questions and discuss reports during the public meeting.

3. The superintendent will review and sign off on the monthly receipt reports and the disbursement report.

Anticipated Completion Date: December, 2016

**Finding 2015-003**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

We have already begun carefully preserving records for testing both with hard copies and through our electronic student information system. In the future if there is a transition of employees, the superintendent will insure that the transition includes proper procurement of records.

We will develop internal controls, including segregation of duties, to ensure compliance with all the requirements of the Child Nutrition Cluster.

Anticipated Completion Date: November 1, 2016

**Finding 2015-004**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This practice has been stopped and will not occur again.

Anticipated Completion Date: Immediate

**Finding 2015-005**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Cafeteria employees will be directed to sign their timecards weekly and the supervisor will sign them also to verify hours.

A time study will be conducted to insure that the percentage of salary paid from different accounts/funds is reflective of the work completed. The superintendent will certify the time studies semi-annually.

Anticipated Completion Date: Processes will be fully implemented by Nov. 1, 2016.

**Finding 2015-006**

Contact Person Responsible for Corrective Action: Mary Roberson

Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

A plan was submitted and approved by the School Lunch Program for use of funds. In the future, the superintendent will monitor to insure that internal controls are in place so that cash balance does not exceed allowable limit.

Anticipated Completion Date: Immediate

**Finding 2015-007**

Contact Person Responsible for Corrective Action: Mary Roberson

Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Notifications are now maintained in a binder for review by the auditors. Access to electronic records will be available through our student information system. We are developing a system with our provider to insure access. All applications will be retained for audit.

Anticipated Completion Date: Immediate

**Finding 2015-008**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Contracts will be entered into with successful vendors and a statement will be added to contracts over \$25,000 that the company or individual is not suspended or disbarred from participation in federal programs.

Anticipated Completion Date: Immediate

**Finding 2015-009**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:  
Income will be broken down into categories in the ledger. Daily collection reports will be printed and saved for audit. A pre-paid trust account will be established and used.

Anticipated Completion Date: Immediate

**Finding 2015-010**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:  
Reports will be reviewed to insure that data is input correctly and to make sure the Annual Financial Report agrees with the ledger.

Anticipated Completion Date: Immediate

**Finding 2015-011**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Information to support the food service program verification of eligibility will be retained for audit. This new process has already been implemented with an organized system of applications being held in binders.

Anticipated Completion Date: Immediate

**Finding 2015-012**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In the future we will insure the calculation is done each year, and that lunch prices are raised to reflect amount dictated by the formula.

Anticipated Completion Date: Immediate

**Finding 2015-013**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Time records will be maintained to support the salary and wages paid from the 21<sup>st</sup> Century Community Learning Center Grants.

Anticipated Completion Date: Beginning immediately and ongoing.

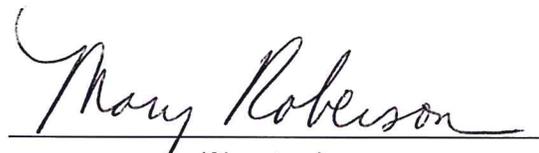
**Finding 2015-014**

Contact Person Responsible for Corrective Action: Mary Roberson  
Contact Phone Number: 812-843-5576

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: As a member of the Board of the Exceptional Children's Co-op, the superintendent will ensure that the Exceptional Children's Co-op verifies that vendors are not suspended or debarred from participating in federal assistance programs prior to awarding contracts with them.

Anticipated Completion Date: Immediate

  
\_\_\_\_\_  
(Signature)

Superintendent

\_\_\_\_\_  
(Title)

July 7, 2016

\_\_\_\_\_  
(Date)

#### 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/>.