B41838

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BROWNSTOWN CENTRAL COMMUNITY
SCHOOL CORPORATION
JACKSON COUNTY, INDIANA

July 1, 2010 to June 30, 2012

FILED
02/18/2013

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Patsy A. Hess	07-01-10 to 06-30-13
Superintendent of Schools	Roger L. Bane	07-01-10 to 06-30-13
President of the School Board	Jack L. Montgomery	07-01-10 to 12-31-13

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Brownstown Central Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. 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 includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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, 2010 to June 30, 2012.

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, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2013, 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 and should be considered in assessing the results of our audit.

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 reports 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.

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.

STATE BOARD OF ACCOUNTS

January 23, 2013

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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 BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION, JACKSON COUNTY, INDIANA

We have audited the financial statement of the Brownstown Central Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated January 23, 2013. 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.

Internal Control Over Financial Reporting

Management of the School Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 23, 2013

FINANCIAL STATEMENT

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

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BROWNSTOWN 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, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	$ 1,333,763	$ 10,281,563	$ 9,869,694	$ -	$ 1,745,632	$ 10,394,928	$ 10,464,571	$ -	$ 1,675,989
Debt Service	384,785	1,501,797	1,316,600	(7,944)	562,038	1,290,137	1,307,000	10,601	555,776
Retirement/Severance Bond Debt Service	57,792	202,552	187,935	(2,686)	69,723	180,886	190,075	2,686	63,220
Capital Projects	450,256	1,510,415	1,308,561	(231,403)	420,707	1,328,343	1,158,463	(132,571)	458,016
School Transportation	407,597	886,549	875,377	16,987	435,756	873,919	913,729	9,751	405,697
School Bus Replacement	33,056	190,277	176,614	(831)	45,888	224,674	4,112	2,207	268,657
Rainy Day	1,360,598	-	202,036	225,000	1,383,562	-	-	150,000	1,533,562
Construction	539,936	-	497,306	-	42,630	-	40,905	-	1,725
School Lunch	107,318	804,349	699,387	-	212,280	814,713	761,043	-	265,950
Textbook Rental	2,797	118,451	61,277	-	59,971	153,083	211,382	7,734	9,406
Levy Excess	-	20,385	-	30,023	50,408	-	-	(50,408)	-
Educational License Plates	2,194	-	-	-	2,194	-	-	-	2,194
Alternative Education	1,708	-	-	-	1,708	-	-	-	1,708
Early Intervention Grant	1,500	-	-	-	1,500	-	-	-	1,500
Project Lead The Way (ECHO 15)	4,219	99,341	95,020	-	8,540	19,242	27,269	-	513
Hoosier Uplands (BioMed)	-	9,770	-	-	9,770	-	9,770	-	-
Scharbrough Memorial Fund	26	-	-	-	26	-	-	-	26
Shake Scholarship Fund	33,224	397	350	-	33,271	266	200	-	33,337
Brownstown Health Center Scholarship	25,200	13,301	3,001	-	35,500	643	2,002	-	34,141
Seymour Noon Lions Club Grant	-	1,020	-	-	1,020	-	1,020	-	-
125 Reimbursement Refund Fund	2,622	-	-	-	2,622	825	-	-	3,447
Universal Service Fund	14,377	22,740	12,507	-	24,610	23,988	25,513	-	23,085
School Recycling Learning Grant	594	-	-	-	594	-	-	-	594
Instruction Support	-	32,308	-	-	32,308	-	32,308	-	-
Gifted/Talented 2008-2009	30,346	-	30,346	-	-	31,112	2,261	-	28,851
Non-English Speaking Program	(21)	344	323	-	-	-	-	-	-
School Technology	4,804	5,426	7,914	-	2,316	5,590	3,713	-	4,193
Miscellaneous Fund	500	-	500	-	-	-	-	-	-
Excess PTRC Distributions	29,146	-	-	(29,146)	-	-	-	-	-
Economic Education Grant	313	-	-	-	313	-	-	-	313
ECIA Title I	41,838	269,635	269,753	-	41,720	762	42,482	-	-
Title I	-	-	-	-	-	222,192	253,475	-	(31,283)
Title I Juvenile Home	(653)	7,106	7,303	-	(850)	4,393	3,543	-	-
Title I Juvenile Home 2011-12	-	-	-	-	-	7,689	8,498	-	(809)
Drug Free Grant 2004-05	1,129	-	-	-	1,129	-	-	-	1,129
Title IV, Part A 2007-2008	-	6,093	6,279	-	(186)	720	534	-	-
Vocational and Technical Board Grants	-	15,000	15,000	-	-	-	-	-	-
Improving Teaching Quality No Child Left Title II, Part A	24,840	60,050	94,154	-	(9,264)	102,074	103,713	-	(10,903)
Title III, Language Instruction	1,553	57	-	-	1,610	489	1,771	-	328
Title I - Grants to LEAs	34,488	17,976	114,813	-	(62,349)	62,349	-	-	-
Special Education - Part B	40,366	124,514	169,073	-	(4,193)	29,553	25,360	-	-
Special Education - Part B - Preschool	1,003	501	1,504	-	-	-	-	-	-
Education Technology	2,294	29,145	31,439	-	-	-	-	-	-
Title I - Part D, Subpart 2	-	4,156	4,156	-	-	-	-	-	-
Education Jobs	-	328,118	328,118	-	-	-	4,847	-	(4,847)
Payroll Withholdings	53,096	2,870,531	2,836,504	-	87,123	2,884,081	2,865,994	-	105,210
Totals	$ 5,028,604	$ 19,433,867	$ 19,222,844	$ -	$ 5,239,627	$ 18,656,651	$ 18,465,553	$ -	$ 5,430,725

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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.

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

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

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, fund held temporarily for an authorized recipient, and self-insurance payments.

F. Other Financing Sources and Uses

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

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.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teacher's Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

The School Corporation also contributes to additional pension plan(s) unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Restatements

For the year ended June 30, 2010, 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. The new funds are payroll withholding accounts that have not been reflected on the School Corporation's financial statements until the current reporting period.

Fund Name	Balance as Reported June 30, 2010	Prior Period Adjustments	New Fund	Balance as Restated July 1, 2010
Payroll Withholdings	$ -	$ -	$ 53,096	$ 53,096

Note 8. Cash Balance Deficits

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2011 and 2012, respectively.

Note 9. Holding Corporations

The School Corporation has entered into capital leases with Brownstown District School Building Corporation (the lessor) and Brownstown Middle School Building Corporation (the lessor). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the years ending June 30, 2011 and 2012, totaled $1,313,800 and $1,298,775, respectively.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

BROWNSTOWN 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, 2011

	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	$ 1,333,763	$ 384,785	$ 57,792	$ 450,256	$ 407,597	$ 33,056	$ 1,360,598	$ 539,936	$ 107,318	$ 2,797
Receipts:										
Local sources	49,346	1,501,797	202,552	1,510,415	885,479	190,277	-	-	433,625	83,367
Intermediate sources	297	-	-	-	-	-	-	-	-	-
State sources	10,205,211	-	-	-	-	-	-	-	10,218	35,084
Federal sources	-	-	-	-	-	-	-	-	360,506	-
Other	26,709	-	-	-	1,070	-	-	-	-	-
Total receipts	10,281,563	1,501,797	202,552	1,510,415	886,549	190,277	-	-	804,349	118,451
Disbursements:										
Current:										
Instruction	6,948,480	-	-	-	-	-	-	-	-	-
Support services	2,773,807	-	-	442,925	875,377	176,614	202,036	-	-	61,277
Noninstructional services	147,407	-	-	-	-	-	-	-	699,387	-
Facilities acquisition and construction	-	-	-	865,636	-	-	-	497,306	-	-
Debt services	-	1,316,600	187,935	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,869,694	1,316,600	187,935	1,308,561	875,377	176,614	202,036	497,306	699,387	61,277
Excess (deficiency) of receipts over disbursements	411,869	185,197	14,617	201,854	11,172	13,663	(202,036)	(497,306)	104,962	57,174
Other financing sources (uses):										
Transfers in	-	10,390	-	11,026	26,738	1,376	225,000	-	-	-
Transfers out	-	(18,334)	(2,686)	(242,429)	(9,751)	(2,207)	-	-	-	-
Total other financing sources (uses)	-	(7,944)	(2,686)	(231,403)	16,987	(831)	225,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	411,869	177,253	11,931	(29,549)	28,159	12,832	22,964	(497,306)	104,962	57,174
Cash and investments - ending	$ 1,745,632	$ 562,038	$ 69,723	$ 420,707	$ 435,756	$ 45,888	$ 1,383,562	$ 42,630	$ 212,280	$ 59,971

BROWNSTOWN 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, 2011
(Continued)

	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Project Lead The Way (ECHO 15)	Hoosier Uplands (BioMed)	Scharbrough Memorial Fund	Shake Scholarship Fund	Brownstown Health Center Scholarship	Seymour Noon Lions Club Grant
Cash and investments - beginning	$ -	$ 2,194	$ 1,708	$ 1,500	$ 4,219	$ -	$ 26	$ 33,224	$ 25,200	$ -
Receipts:										
Local sources	-	-	-	-	99,341	9,770	-	397	13,301	1,020
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	20,385	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	20,385	-	-	-	99,341	9,770	-	397	13,301	1,020
Disbursements:										
Current:										
Instruction	-	-	-	-	4,080	-	-	-	1	-
Support services	-	-	-	-	90,940	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	350	3,000	-
Total disbursements	-	-	-	-	95,020	-	-	350	3,001	-
Excess (deficiency) of receipts over disbursements	20,385	-	-	-	4,321	9,770	-	47	10,300	1,020
Other financing sources (uses):										
Transfers in	50,407	-	-	-	-	-	-	-	-	-
Transfers out	(20,384)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	30,023	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50,408	-	-	-	4,321	9,770	-	47	10,300	1,020
Cash and investments - ending	$ 50,408	$ 2,194	$ 1,708	$ 1,500	$ 8,540	$ 9,770	$ 26	$ 33,271	$ 35,500	$ 1,020

BROWNSTOWN 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, 2011
(Continued)

	125 Reimbursement Refund Fund	Universal Service Fund	School Recycling Learning Grant	Instruction Support	Gifted/Talented 2008-2009	Non-English Speaking Program	School Technology	Miscellaneous Fund	Excess PTRC Distributions
Cash and investments - beginning	$ 2,622	$ 14,377	$ 594	$ -	$ 30,346	$ (21)	$ 4,804	$ 500	$ 29,146
Receipts:									
Local sources	-	22,740	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	32,308	-	344	5,426	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	22,740	-	32,308	-	344	5,426	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	30,346	323	-	-	-
Support services	-	12,507	-	-	-	-	7,914	500	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	12,507	-	-	30,346	323	7,914	500	-
Excess (deficiency) of receipts over disbursements	-	10,233	-	32,308	(30,346)	21	(2,488)	(500)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(29,146)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(29,146)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,233	-	32,308	(30,346)	21	(2,488)	(500)	(29,146)
Cash and investments - ending	$ 2,622	$ 24,610	$ 594	$ 32,308	$ -	$ -	$ 2,316	$ -	$ -

BROWNSTOWN 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, 2011
(Continued)

	Economic Education Grant	ECIA Title I	Title I	Title I Juvenile Home	Title I Juvenile Home 2011-12	Drug Free Grant 2004-05	Title IV, Part A 2007-08	Vocational and Technical Board Grants	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	$ 313	$ 41,838	$ -	$ (653)	$ -	$ 1,129	$ -	$ -	$ 24,840
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	269,635	-	7,106	-	-	6,093	15,000	60,050
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	269,635	-	7,106	-	-	6,093	15,000	60,050
Disbursements:									
Current:									
Instruction	-	269,641	-	7,303	-	-	323	-	8,129
Support services	-	112	-	-	-	-	5,956	15,000	86,025
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	269,753	-	7,303	-	-	6,279	15,000	94,154
Excess (deficiency) of receipts over disbursements	-	(118)	-	(197)	-	-	(186)	-	(34,104)
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	-	(118)	-	(197)	-	-	(186)	-	(34,104)
Cash and investments - ending	$ 313	$ 41,720	$ -	$ (850)	$ -	$ 1,129	$ (186)	$ -	$ (9,264)

BROWNSTOWN 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, 2011
(Continued)

	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Technology	Title I Part D Subpart 2	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	$ 1,553	$ 34,488	$ 40,366	$ 1,003	$ 2,294	$ -	$ -	$ 53,096	$ 5,028,604
Receipts:									
Local sources	-	-	124,514	501	-	-	-	-	5,128,442
Intermediate sources	-	-	-	-	-	-	-	-	297
State sources	-	-	-	-	-	-	-	-	10,308,976
Federal sources	57	17,976	-	-	29,145	4,156	328,118	-	1,097,842
Other	-	-	-	-	-	-	-	2,870,531	2,898,310
Total receipts	57	17,976	124,514	501	29,145	4,156	328,118	2,870,531	19,433,867
Disbursements:									
Current:									
Instruction	-	33,829	169,073	1,271	30,133	4,156	328,118	-	7,835,206
Support services	-	80,984	-	233	1,306	-	-	-	4,833,513
Noninstructional services	-	-	-	-	-	-	-	-	846,794
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,362,942
Debt services	-	-	-	-	-	-	-	-	1,504,535
Nonprogrammed charges	-	-	-	-	-	-	-	2,836,504	2,839,854
Total disbursements	-	114,813	169,073	1,504	31,439	4,156	328,118	2,836,504	19,222,844
Excess (deficiency) of receipts over disbursements	57	(96,837)	(44,559)	(1,003)	(2,294)	-	-	34,027	211,023
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	324,937
Transfers out	-	-	-	-	-	-	-	-	(324,937)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57	(96,837)	(44,559)	(1,003)	(2,294)	-	-	34,027	211,023
Cash and investments - ending	$ 1,610	$ (62,349)	$ (4,193)	$ -	$ -	$ -	$ -	$ 87,123	$ 5,239,627

BROWNSTOWN 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, 2012

	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	$ 1,745,632	$ 562,038	$ 69,723	$ 420,707	$ 435,756	$ 45,888	$ 1,383,562	$ 42,630	$ 212,280	$ 59,971
Receipts:										
Local sources	132,525	1,290,137	180,886	1,328,343	873,919	224,674	-	-	427,629	97,635
Intermediate sources	131	-	-	-	-	-	-	-	-	-
State sources	10,241,942	-	-	-	-	-	-	-	10,139	55,448
Federal sources	-	-	-	-	-	-	-	-	376,945	-
Other	20,330	-	-	-	-	-	-	-	-	-
Total receipts	10,394,928	1,290,137	180,886	1,328,343	873,919	224,674	-	-	814,713	153,083
Disbursements:										
Current:										
Instruction	7,458,616	-	-	-	-	-	-	-	-	-
Support services	2,841,174	-	-	463,823	913,729	4,112	-	-	-	211,382
Noninstructional services	164,781	-	-	-	-	-	-	-	761,043	-
Facilities acquisition and construction	-	-	-	694,640	-	-	-	40,905	-	-
Debt services	-	1,307,000	190,075	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,464,571	1,307,000	190,075	1,158,463	913,729	4,112	-	40,905	761,043	211,382
Excess (deficiency) of receipts over disbursements	(69,643)	(16,863)	(9,189)	169,880	(39,810)	220,562	-	(40,905)	53,670	(58,299)
Other financing sources (uses):										
Transfers in	-	18,335	2,686	17,429	9,751	2,207	150,000	-	-	7,734
Transfers out	-	(7,734)	-	(150,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	10,601	2,686	(132,571)	9,751	2,207	150,000	-	-	7,734
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(69,643)	(6,262)	(6,503)	37,309	(30,059)	222,769	150,000	(40,905)	53,670	(50,565)
Cash and investments - ending	$ 1,675,989	$ 555,776	$ 63,220	$ 458,016	$ 405,697	$ 268,657	$ 1,533,562	$ 1,725	$ 265,950	$ 9,406

BROWNSTOWN 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, 2012
(Continued)

	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Project Lead The Way (ECHO 15)	Hoosier Uplands (BioMed)	Scharbrough Memorial Fund	Shake Scholarship Fund	Brownstown Health Center Scholarship	Seymour Noon Lions Club Grant
Cash and investments - beginning	$ 50,408	$ 2,194	$ 1,708	$ 1,500	$ 8,540	$ 9,770	$ 26	$ 33,271	$ 35,500	$ 1,020
Receipts:										
Local sources	-	-	-	-	19,242	-	-	266	643	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	19,242	-	-	266	643	-
Disbursements:										
Current:										
Instruction	-	-	-	-	1,200	-	-	-	-	-
Support services	-	-	-	-	26,069	9,770	-	-	-	1,020
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	200	2,002	-
Total disbursements	-	-	-	-	27,269	9,770	-	200	2,002	1,020
Excess (deficiency) of receipts over disbursements	-	-	-	-	(8,027)	(9,770)	-	66	(1,359)	(1,020)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(50,408)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(50,408)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,408)	-	-	-	(8,027)	(9,770)	-	66	(1,359)	(1,020)
Cash and investments - ending	$ -	$ 2,194	$ 1,708	$ 1,500	$ 513	$ -	$ 26	$ 33,337	$ 34,141	$ -

BROWNSTOWN 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, 2012
(Continued)

	125 Reimbursement Refund Fund	Universal Service Fund	School Recycling Learning Grant	Instruction Support	Gifted/Talented 2008-2009	Non-English Speaking Program	School Technology	Miscellaneous Fund	Excess PTRC Distributions
Cash and investments - beginning	$ 2,622	$ 24,610	$ 594	$ 32,308	$ -	$ -	$ 2,316	$ -	$ -
Receipts:									
Local sources	825	23,988	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	31,112	-	5,590	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	825	23,988	-	-	31,112	-	5,590	-	-
Disbursements:									
Current:									
Instruction	-	-	-	32,308	2,261	-	-	-	-
Support services	-	25,513	-	-	-	-	3,713	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	25,513	-	32,308	2,261	-	3,713	-	-
Excess (deficiency) of receipts over disbursements	825	(1,525)	-	(32,308)	28,851	-	1,877	-	-
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	825	(1,525)	-	(32,308)	28,851	-	1,877	-	-
Cash and investments - ending	$ 3,447	$ 23,085	$ 594	$ -	$ 28,851	$ -	$ 4,193	$ -	$ -

BROWNSTOWN 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, 2012
(Continued)

	Economic Education Grant	ECIA Title I	Title I	Title I Juvenile Home	Title I Juvenile Home 2011-12	Drug Free Grant 2004-05	Title IV, Part A 2007-08	Vocational and Technical Board Grants	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	$ 313	$ 41,720	$ -	$ (850)	$ -	$ 1,129	$ (186)	$ -	$ (9,264)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	762	222,192	4,393	7,689	-	720	-	102,074
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	762	222,192	4,393	7,689	-	720	-	102,074
Disbursements:									
Current:									
Instruction	-	42,482	253,475	3,543	8,498	-	534	-	10,180
Support services	-	-	-	-	-	-	-	-	93,533
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	42,482	253,475	3,543	8,498	-	534	-	103,713
Excess (deficiency) of receipts over disbursements	-	(41,720)	(31,283)	850	(809)	-	186	-	(1,639)
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	-	(41,720)	(31,283)	850	(809)	-	186	-	(1,639)
Cash and investments - ending	$ 313	$ -	$ (31,283)	$ -	$ (809)	$ 1,129	$ -	$ -	$ (10,903)

BROWNSTOWN 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, 2012
(Continued)

	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Technology	Title I Part D Subpart 2	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	$ 1,610	$ (62,349)	$ (4,193)	$ -	$ -	$ -	$ -	$ 87,123	$ 5,239,627
Receipts:									
Local sources	-	-	29,553	-	-	-	-	-	4,630,265
Intermediate sources	-	-	-	-	-	-	-	-	131
State sources	-	-	-	-	-	-	-	-	10,344,231
Federal sources	489	62,349	-	-	-	-	-	-	777,613
Other	-	-	-	-	-	-	-	2,884,081	2,904,411
Total receipts	489	62,349	29,553	-	-	-	-	2,884,081	18,656,651
Disbursements:									
Current:									
Instruction	1,771	-	20,051	(2,076)	-	-	4,847	-	7,837,690
Support services	-	-	-	2,076	-	-	-	-	4,595,914
Noninstructional services	-	-	-	-	-	-	-	-	925,824
Facilities acquisition and construction	-	-	-	-	-	-	-	-	735,545
Debt services	-	-	-	-	-	-	-	-	1,497,075
Nonprogrammed charges	-	-	5,309	-	-	-	-	2,865,994	2,873,505
Total disbursements	1,771	-	25,360	-	-	-	4,847	2,865,994	18,465,553
Excess (deficiency) of receipts over disbursements	(1,282)	62,349	4,193	-	-	-	(4,847)	18,087	191,098
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	208,142
Transfers out	-	-	-	-	-	-	-	-	(208,142)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,282)	62,349	4,193	-	-	-	(4,847)	18,087	191,098
Cash and investments - ending	$ 328	$ -	$ -	$ -	$ -	$ -	$ (4,847)	$ 105,210	$ 5,430,725

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEASES AND DEBT
June 30, 2012

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Brownstown District School Building Corporation	$ 4,540,000	$ 1,264,000
Brownstown Middle School Building Corporation 2009 Series	1,850,000	48,000
Performance contract	381,625	78,520
Bonds payable:		
General obligation bonds:		
Pension bonds - retirement and severance payments	265,000	186,541
Total long-term debt	$ 7,036,625	$ 1,577,062

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2012

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:	
Buildings	$ 20,195,523
Improvements other than buildings	207,709
Machinery and equipment	2,350,543
Total capital assets	$ 22,753,775

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SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Brownstown 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, 2010 to June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, 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.

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

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 23, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		$ 69,743	$ 86,711
National School Lunch Program	10.555		338,449	346,329
Total for federal grantor agency			408,192	433,040
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 2009-2010		10-3695	51,274	-
FY 2010-2011		11-3695	218,477	762
FY 2010-2011, Part D, Subpart 2		11-3695	7,303	4,393
FY 2011-2012		12-3695	-	222,192
FY 2011-2012, Part D, Subpart 2		12-3695	-	7,689
Total for program			277,054	235,036
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
FY 2009-2010		10-3695	114,813	
FY 2009-2010, Part D, Subpart 2		10-3695	4,156	-
Total for program			118,969	-
Total for cluster			396,023	235,036
Education Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386			
FY 2009-2010		10-3695	31,439	-
Total for cluster			31,439	-
Pass-Through Orange, Lawrence, Jackson, Martin, and Green Counties Co-op				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	44410-049-SN01	169,072	29,553
Total for cluster			169,072	29,553
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 2009-10		09-3695	6,279	720
Projects with Industry	84.234			
FY 2010-11		11-3695	15,000	-
Improving Teacher Quality State Grants	84.367			
FY 2009-10		09-3695	69,314	33,754
FY 2010-01		10-3695	-	68,320
Total for program			69,314	102,074
Grants for State Assessments and Related Activities	84.369			
FY 2010-11		11-3695	420	-
Education Jobs Fund	84.410			
FY 2010-11		11-3695	328,118	-
Total for federal grantor agency			1,015,665	367,383
Total federal awards expended			$ 1,423,857	$ 800,423

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

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

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

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2011 and 2012:

Program Title	Federal CFDA Number	2011	2012
ARRA – Education Technology State Grants, Recovery Act	84.386	$ 31,439	$ -

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	$ 8,147	$ 11,232
National School Lunch Program	10.555	39,538	44,862

BROWNSTOWN 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; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
84.410	Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2013, with Roger L. Bane, Superintendent of Schools; Patsy A. Hess, Treasurer; Mary Ann L. Spray, Vice President of the School Board; and Harry Rochner, Business Manager. Our audit disclosed no material items that warrant comment at this time.