

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, 2011 to June 30, 2013



FILED
02/03/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry Knieriem	07-01-11 to 06-30-14
Superintendent of Schools	Mary Roberson	07-01-11 to 06-30-14
President of the School Board	Larry James	07-01-11 to 06-30-14



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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, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

December 5, 2013



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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, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated December 5, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-1 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

December 5, 2013

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FINANCIAL STATEMENT

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

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, 2012 and 2013

	Cash and Investments 07-01-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Cash and Investments 06-30-13	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 706,181	\$ 7,446,228	\$ 7,527,813	\$ -	\$ 624,596	\$ 7,502,693	\$ 7,189,017	\$ 938,272
Debt Service	341,126	477,284	474,412	-	343,998	457,454	-	801,452
Retirement/Severance Bond Debt Service	30,804	211,499	204,618	-	37,685	205,926	209,755	33,856
Capital Projects	193,065	702,184	742,869	101,261	253,641	635,021	711,441	177,221
School Transportation	562,719	814,080	702,658	-	674,141	797,550	842,141	629,550
School Bus Replacement	102,651	74,697	-	-	177,348	130,106	166,128	141,326
Rainy Day	500,000	-	-	-	500,000	-	308,310	191,690
Construction	-	-	-	-	-	447,067	132,550	314,517
School Lunch	361,697	545,850	521,064	-	386,483	579,224	540,224	425,483
Textbook Rental	233,585	129,997	160,566	-	203,016	125,334	73,313	255,037
Levy Excess	101,261	-	-	(101,261)	-	-	-	-
Jasper Art Association	506	-	-	-	506	496	258	744
Daycare	4,983	39,405	42,249	-	2,139	41,487	41,638	1,988
Alternative Education	29,834	15,996	28,733	-	17,097	12,961	27,411	2,647
Safe Schools/Healthy Students 09/10	385	-	385	-	-	-	-	-
Safe Schools/Healthy Students	-	633,765	634,154	-	(389)	83,776	83,387	-
Safe Haven Grant 2011-2012	-	11,015	15,998	-	(4,983)	4,983	-	-
SS/HS Grant 2012-2013	-	-	-	-	-	515,029	556,934	(41,905)
Safe Haven Grant 2012-2013	-	-	-	-	-	14,500	14,500	-
Teacher Mini Grants - Alliance	199	-	-	-	199	-	100	99
The Schergens Grant 08/09	344	-	307	-	37	-	32	5
Community Foundation Alliance	2	-	-	-	2	-	-	2
Walmart-Literacy Grant	524	-	524	-	-	-	-	-
Regional Art Comm Grant	1,623	1,486	2,641	-	468	-	-	468
Recycling Grant 09-10	978	-	-	-	978	-	222	756
Natural Helpers 09-10	693	-	-	-	693	-	-	693
Lights On-Comm Alliance Grant	119	-	-	-	119	-	-	119
High Ability Grant 09-10	1,098	-	1,098	-	-	-	-	-
High Ability Grant 10-11	3,573	-	3,570	-	3	-	3	-
High Ability Grant 11-12	-	28,386	16,713	-	11,673	-	11,673	-
High Ability Grant 12-13	-	-	-	-	-	29,123	24,721	4,402
GED Testing Fund	3,654	11,765	14,437	-	982	7,992	8,103	871
Continuing Education-Evenstart	6,678	4,000	6,678	-	4,000	4,000	5,407	2,593
PY CO Tobacco Prev & Cessation	449	4,668	4,667	-	450	3,988	3,996	442
PY CO Substance Abuse	25	-	-	-	25	-	-	25
Perry County Sub Abuse 09-10	445	-	-	-	445	-	-	445
Perry County Sub Abuse 10-11	893	7,835	7,952	-	776	-	435	341
Substance Abuse Grant 2012-13	-	3,132	240	-	2,892	2,722	2,873	2,741
Medicaid Reimbursement	7,558	18,023	13,520	-	12,061	20,435	10,748	21,748
Donation	10,319	24,807	22,707	-	12,419	48,885	46,161	15,143

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, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Cash and Investments 06-30-13
After School Program/ Field Trip Fund	3,898	1,186	1,725	-	3,359	1,365	578	4,146
Parent Outreach Program	19,334	12,858	13,067	-	19,125	13,555	10,488	22,192
Afternoon's Rock	(4,667)	16,712	15,113	-	(3,068)	18,192	12,061	3,063
PC Student Activities Fund	316	83	138	-	261	216	340	137
Welborn Wellness Grant	696	1,800	358	-	2,138	375	23	2,490
OMHS Wellness Grant 2011-12	-	5,575	2,135	-	3,440	-	3,438	2
Welborn Grant 12-13 Heroes	-	-	-	-	-	24,878	10,798	14,080
School Technology 2010-2011	931	5,754	5,248	-	1,437	6,231	5,945	1,723
Mckinney-Vento Grant 2011-12	-	53,160	58,372	-	(5,212)	21,338	16,126	-
Alcoa Can't Waste Grant	916	-	915	-	1	-	1	-
Evenstart 08-09	36	-	-	-	36	-	36	-
Evenstart 10-11	10,343	27,413	37,756	-	-	-	-	-
Title I 2008-2009	1	-	-	-	1	-	-	1
Title I 2010-2011	3,818	19,831	23,649	-	-	-	-	-
Title I 2011-2012	-	101,743	105,519	-	(3,776)	11,882	8,106	-
Title I 2012-2013	-	-	-	-	-	109,922	109,922	-
Evenstart 07-08	3	-	-	-	3	-	3	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	70,000	70,000	-
SP ED Improvement Grant 2013	-	-	-	-	-	57,504	57,504	-
Career Incentive	1,706	-	1,505	-	201	-	-	201
Drug Free Schools	2	-	-	-	2	-	-	2
Title IV, Safe & Drug Free	3,311	-	3,309	-	2	-	-	2
Nutrition Grant 2010-2011	2,360	1,600	2,391	-	1,569	-	1,414	155
PLTW 2010-2011	(9,945)	15,000	5,055	-	-	-	-	-
21st Century Learning Center	-	-	-	-	-	-	3,563	(3,563)
Reduce Alcohol Abuse Grant	(2,909)	47,007	44,098	-	-	-	-	-
US Forestry Dept - Rickenbaugh	25	-	-	-	25	-	25	-
21ST Cent Comm Learn CTR 10-11	(284)	-	(284)	-	-	-	-	-
21ST Century Grant 2011-2012	(1,876)	129,338	128,012	-	(550)	4,412	3,862	-
21ST Century Grant 2012-2013	-	-	5,530	-	(5,530)	137,788	132,258	-
Mckinney-Vento Grant 2012-13	-	-	-	-	-	47,357	52,938	(5,581)
Innovation Grant 2013-2014	-	-	-	-	-	-	598	(598)
Improving Teaching Quality, No Child Left, Title II, Part A	2,679	25,976	28,654	-	1	-	1	-
Title II Part A	-	3,483	3,483	-	-	43,935	46,735	(2,800)
Title V Proj #06-6325	1,616	-	112	-	1,504	-	1,320	184
Special Education - Part B - Preschool	1,093	775	1,868	-	-	-	-	-
Education Jobs	53,444	3,405	56,849	-	-	4,776	4,776	-
Totals	\$ 3,294,818	\$ 11,678,801	\$ 11,695,150	\$ -	\$ 3,278,469	\$ 12,244,478	\$ 11,564,340	\$ 3,958,607

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, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

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.

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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.

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

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
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.

Note 7. Holding Corporation

The School Corporation has entered into a capital lease with the 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 will begin during the year 2014.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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, 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	\$ 706,181	\$ 341,126	\$ 30,804	\$ 193,065	\$ 562,719	\$ 102,651	\$ 500,000	\$ -	\$ 361,697	\$ 233,585
Receipts:										
Local sources	135,853	477,284	211,499	702,184	814,080	74,697	-	-	309,536	96,402
Intermediate sources	192	-	-	-	-	-	-	-	-	-
State sources	7,134,297	-	-	-	-	-	-	-	-	33,595
Federal sources	175,886	-	-	-	-	-	-	-	236,314	-
Total receipts	7,446,228	477,284	211,499	702,184	814,080	74,697	-	-	545,850	129,997
Disbursements:										
Current:										
Instruction	5,907,813	-	-	-	-	-	-	-	-	-
Support services	1,611,374	3,518	-	594,805	702,658	-	-	-	-	160,566
Noninstructional services	8,626	-	-	-	-	-	-	-	521,064	-
Facilities acquisition and construction	-	-	-	148,064	-	-	-	-	-	-
Debt services	-	470,894	204,618	-	-	-	-	-	-	-
Total disbursements	7,527,813	474,412	204,618	742,869	702,658	-	-	-	521,064	160,566
Excess (deficiency) of receipts over disbursements	(81,585)	2,872	6,881	(40,685)	111,422	74,697	-	-	24,786	(30,569)
Other financing sources (uses):										
Transfers in	-	-	-	101,261	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	101,261	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81,585)	2,872	6,881	60,576	111,422	74,697	-	-	24,786	(30,569)
Cash and investments - ending	\$ 624,596	\$ 343,998	\$ 37,685	\$ 253,641	\$ 674,141	\$ 177,348	\$ 500,000	\$ -	\$ 386,483	\$ 203,016

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, 2012
 (Continued)

	Levy Excess	Jasper Art Association	Daycare	Alternative Education	Safe Schools Heathy Students 09/10	Safe Schools Heathy Students	Safe Haven Grant 2011-2012	SS/HS Grant 2012-2013	Safe Haven Grant 2012-2013	Teacher Mini Grants Alliance
Cash and investments - beginning	\$ 101,261	\$ 506	\$ 4,983	\$ 29,834	\$ 385	\$ -	\$ -	\$ -	\$ -	\$ 199
Receipts:										
Local sources	-	-	39,405	2,349	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	633,765	-	-	-	-
State sources	-	-	-	13,647	-	-	11,015	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	39,405	15,996	-	633,765	11,015	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	28,733	-	-	-	-	-	-
Support services	-	-	-	-	385	634,154	15,998	-	-	-
Noninstructional services	-	-	42,249	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	42,249	28,733	385	634,154	15,998	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(2,844)	(12,737)	(385)	(389)	(4,983)	-	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(101,261)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(101,261)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(101,261)	-	(2,844)	(12,737)	(385)	(389)	(4,983)	-	-	-
Cash and investments - ending	\$ -	\$ 506	\$ 2,139	\$ 17,097	\$ -	\$ (389)	\$ (4,983)	\$ -	\$ -	\$ 199

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, 2012
 (Continued)

	The Schergens Grant 08/09	Community Foundation Alliance	Walmart Literacy Grant	Regional Art Comm Grant	Recycling Grant 09/10	Natural Helpers 09/10	Lights On Community Alliance Grant	High Ability Grant 09-10	High Ability Grant 10-11	High Ability Grant 11-12
Cash and investments - beginning	\$ 344	\$ 2	\$ 524	\$ 1,623	\$ 978	\$ 693	\$ 119	\$ 1,098	\$ 3,573	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	1,486	-	-	-	-	-	28,386
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,486	-	-	-	-	-	28,386
Disbursements:										
Current:										
Instruction	-	-	524	-	-	-	-	1,098	3,570	16,713
Support services	307	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	2,641	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	307	-	524	2,641	-	-	-	1,098	3,570	16,713
Excess (deficiency) of receipts over disbursements	(307)	-	(524)	(1,155)	-	-	-	(1,098)	(3,570)	11,673
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	(307)	-	(524)	(1,155)	-	-	-	(1,098)	(3,570)	11,673
Cash and investments - ending	\$ 37	\$ 2	\$ -	\$ 468	\$ 978	\$ 693	\$ 119	\$ -	\$ 3	\$ 11,673

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, 2012
 (Continued)

	High Ability Grant 12-13	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 10-11	Substance Abuse Grant 2012-13	Medicaid Reimbursement	Donation
Cash and investments - beginning	\$ -	\$ 3,654	\$ 6,678	\$ 449	\$ 25	\$ 445	\$ 893	\$ -	\$ 7,558	\$ 10,319
Receipts:										
Local sources	-	11,765	4,000	4,668	-	-	7,835	3,132	-	24,807
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	18,023	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	-	11,765	4,000	4,668	-	-	7,835	3,132	18,023	24,807
Disbursements:										
Current:										
Instruction	-	14,437	6,678	4,667	-	-	7,952	240	13,520	13,292
Support services	-	-	-	-	-	-	-	-	-	8,997
Noninstructional services	-	-	-	-	-	-	-	-	-	418
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	14,437	6,678	4,667	-	-	7,952	240	13,520	22,707
Excess (deficiency) of receipts over disbursements	-	(2,672)	(2,678)	1	-	-	(117)	2,892	4,503	2,100
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	-	(2,672)	(2,678)	1	-	-	(117)	2,892	4,503	2,100
Cash and investments - ending	\$ -	\$ 982	\$ 4,000	\$ 450	\$ 25	\$ 445	\$ 776	\$ 2,892	\$ 12,061	\$ 12,419

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, 2012
 (Continued)

	After School Program/Field Trip Fund	Parent Outreach Program	Afternoon's Rock	PC Student Activities Fund	Welborn Wellness Grant	OMHS Wellness Grant 2011-12	Welborn Grant 12-13 Heroes	School Technology 2010-2011	McKinney Vento Grant 2011-12	Alcoa Can't Waste Grant
Cash and investments - beginning	\$ 3,898	\$ 19,334	\$ (4,667)	\$ 316	\$ 696	\$ -	\$ -	\$ 931	\$ -	\$ 916
Receipts:										
Local sources	1,186	12,858	16,712	83	-	-	-	-	-	-
Intermediate sources	-	-	-	-	1,800	5,575	-	-	53,160	-
State sources	-	-	-	-	-	-	-	5,754	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	1,186	12,858	16,712	83	1,800	5,575	-	5,754	53,160	-
Disbursements:										
Current:										
Instruction	1,725	-	15,113	138	-	-	-	-	-	-
Support services	-	-	-	-	-	2,135	-	5,248	58,372	915
Noninstructional services	-	13,067	-	-	358	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,725	13,067	15,113	138	358	2,135	-	5,248	58,372	915
Excess (deficiency) of receipts over disbursements	(539)	(209)	1,599	(55)	1,442	3,440	-	506	(5,212)	(915)
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	(539)	(209)	1,599	(55)	1,442	3,440	-	506	(5,212)	(915)
Cash and investments - ending	\$ 3,359	\$ 19,125	\$ (3,068)	\$ 261	\$ 2,138	\$ 3,440	\$ -	\$ 1,437	\$ (5,212)	\$ 1

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, 2012
 (Continued)

	Evenstart 08-09	Evenstart 10-11	Title I 2008-2009	Title I 2010-2011	Title I 2011-2012	Title I 2012-2013	Evenstart 07-08	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	SP ED Improvement Grant 2013	Career Incentive
Cash and investments - beginning	\$ 36	\$ 10,343	\$ 1	\$ 3,818	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 1,706
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	27,413	-	19,831	101,743	-	-	-	-	-
Total receipts	-	27,413	-	19,831	101,743	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	32,717	-	23,649	105,519	-	-	-	-	967
Support services	-	-	-	-	-	-	-	-	-	538
Noninstructional services	-	5,039	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	37,756	-	23,649	105,519	-	-	-	-	1,505
Excess (deficiency) of receipts over disbursements	-	(10,343)	-	(3,818)	(3,776)	-	-	-	-	(1,505)
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	-	(10,343)	-	(3,818)	(3,776)	-	-	-	-	(1,505)
Cash and investments - ending	\$ 36	\$ -	\$ 1	\$ -	\$ (3,776)	\$ -	\$ 3	\$ -	\$ -	\$ 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, 2012
 (Continued)

	Drug Free Schools	Title IV Safe & Drug Free	Nutrition Grant 2010-2011	PLTW 2010-2011	21st Century Learning Center	Reduce Alcohol Abuse Grant	US Forestry Dept Rickenbaugh	21ST Cent Comm Learn CTR 10-11	21ST Century Grant 2011-2012
Cash and investments - beginning	\$ 2	\$ 3,311	\$ 2,360	\$ (9,945)	\$ -	\$ (2,909)	\$ 25	\$ (284)	\$ (1,876)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	15,000	-	47,007	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	1,600	-	-	-	-	-	129,338
Total receipts	-	-	1,600	15,000	-	47,007	-	-	129,338
Disbursements:									
Current:									
Instruction	-	3,309	-	5,055	-	30	-	-	-
Support services	-	-	-	-	-	44,068	-	-	14,274
Noninstructional services	-	-	2,391	-	-	-	-	(284)	113,738
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,309	2,391	5,055	-	44,098	-	(284)	128,012
Excess (deficiency) of receipts over disbursements	-	(3,309)	(791)	9,945	-	2,909	-	284	1,326
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	-	(3,309)	(791)	9,945	-	2,909	-	284	1,326
Cash and investments - ending	\$ 2	\$ 2	\$ 1,569	\$ -	\$ -	\$ -	\$ 25	\$ -	\$ (550)

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, 2012
 (Continued)

	21ST Century Grant 2012-2013	McKinney Vento Grant 2012-13	Innovation Grant 2013-2014	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A	Title V Proj #06-6325	Special Education Part B Preschool	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,679	\$ -	\$ 1,616	\$ 1,093	\$ 53,444	\$ 3,294,818
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,950,335
Intermediate sources	-	-	-	-	-	-	-	-	756,499
State sources	-	-	-	-	-	-	-	-	7,246,203
Federal sources	-	-	-	25,976	3,483	-	775	3,405	725,764
Total receipts	-	-	-	25,976	3,483	-	775	3,405	11,678,801
Disbursements:									
Current:									
Instruction	-	-	-	28,654	-	-	1,868	56,849	6,294,830
Support services	-	-	-	-	3,483	112	-	-	3,861,907
Noninstructional services	5,530	-	-	-	-	-	-	-	714,837
Facilities acquisition and construction	-	-	-	-	-	-	-	-	148,064
Debt services	-	-	-	-	-	-	-	-	675,512
Total disbursements	5,530	-	-	28,654	3,483	112	1,868	56,849	11,695,150
Excess (deficiency) of receipts over disbursements	(5,530)	-	-	(2,678)	-	(112)	(1,093)	(53,444)	(16,349)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	101,261
Transfers out	-	-	-	-	-	-	-	-	(101,261)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,530)	-	-	(2,678)	-	(112)	(1,093)	(53,444)	(16,349)
Cash and investments - ending	\$ (5,530)	\$ -	\$ -	\$ 1	\$ -	\$ 1,504	\$ -	\$ -	\$ 3,278,469

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, 2013

	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	\$ 624,596	\$ 343,998	\$ 37,685	\$ 253,641	\$ 674,141	\$ 177,348	\$ 500,000	\$ -	\$ 386,483	\$ 203,016
Receipts:										
Local sources	174,463	457,454	205,926	635,021	797,550	130,106	-	-	308,445	89,767
Intermediate sources	98	-	-	-	-	-	-	-	-	-
State sources	6,861,450	-	-	-	-	-	-	-	7,998	35,567
Federal sources	466,682	-	-	-	-	-	-	-	262,781	-
Temporary loans	-	-	-	-	-	-	-	447,067	-	-
Total receipts	<u>7,502,693</u>	<u>457,454</u>	<u>205,926</u>	<u>635,021</u>	<u>797,550</u>	<u>130,106</u>	<u>-</u>	<u>447,067</u>	<u>579,224</u>	<u>125,334</u>
Disbursements:										
Current:										
Instruction	5,657,220	-	-	-	-	-	308,310	-	-	-
Support services	1,527,713	-	-	644,319	842,141	166,128	-	-	-	73,313
Noninstructional services	4,084	-	-	-	-	-	-	-	540,224	-
Facilities acquisition and construction	-	-	-	67,122	-	-	-	132,550	-	-
Debt services	-	-	209,755	-	-	-	-	-	-	-
Total disbursements	<u>7,189,017</u>	<u>-</u>	<u>209,755</u>	<u>711,441</u>	<u>842,141</u>	<u>166,128</u>	<u>308,310</u>	<u>132,550</u>	<u>540,224</u>	<u>73,313</u>
Excess (deficiency) of receipts over disbursements	<u>313,676</u>	<u>457,454</u>	<u>(3,829)</u>	<u>(76,420)</u>	<u>(44,591)</u>	<u>(36,022)</u>	<u>(308,310)</u>	<u>314,517</u>	<u>39,000</u>	<u>52,021</u>
Cash and investments - ending	<u>\$ 938,272</u>	<u>\$ 801,452</u>	<u>\$ 33,856</u>	<u>\$ 177,221</u>	<u>\$ 629,550</u>	<u>\$ 141,326</u>	<u>\$ 191,690</u>	<u>\$ 314,517</u>	<u>\$ 425,483</u>	<u>\$ 255,037</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, 2013
 (Continued)

	Levy Excess	Jasper Art Association	Daycare	Alternative Education	Safe Schools Heathy Students 09/10	Safe Schools Heathy Students	Safe Haven Grant 2011-2012	SS/HS Grant 2012-2013	Safe Haven Grant 2012-2013	Teacher Mini Grants Alliance
Cash and investments - beginning	\$ -	\$ 506	\$ 2,139	\$ 17,097	\$ -	\$ (389)	\$ (4,983)	\$ -	\$ -	\$ 199
Receipts:										
Local sources	-	496	41,487	1,151	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	83,776	-	515,029	-	-
State sources	-	-	-	11,810	-	-	4,983	-	14,500	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	-	496	41,487	12,961	-	83,776	4,983	515,029	14,500	-
Disbursements:										
Current:										
Instruction	-	-	-	27,411	-	-	-	-	-	100
Support services	-	-	-	-	-	83,387	-	556,934	14,500	-
Noninstructional services	-	258	41,638	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	258	41,638	27,411	-	83,387	-	556,934	14,500	100
Excess (deficiency) of receipts over disbursements	-	238	(151)	(14,450)	-	389	4,983	(41,905)	-	(100)
Cash and investments - ending	\$ -	\$ 744	\$ 1,988	\$ 2,647	\$ -	\$ -	\$ -	\$ (41,905)	\$ -	\$ 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, 2013
 (Continued)

	The Schergens Grant 08/09	Community Foundation Alliance	Walmart Literacy Grant	Regional Art Comm Grant	Recycling Grant 09/10	Natural Helpers 09/10	Lights On Community Alliance Grant	High Ability Grant 09-10	High Ability Grant 10-11	High Ability Grant 11-12
Cash and investments - beginning	\$ 37	\$ 2	\$ -	\$ 468	\$ 978	\$ 693	\$ 119	\$ -	\$ 3	\$ 11,673
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	3	11,673
Support services	32	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	222	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	32	-	-	-	222	-	-	-	3	11,673
Excess (deficiency) of receipts over disbursements	(32)	-	-	-	(222)	-	-	-	(3)	(11,673)
Cash and investments - ending	\$ 5	\$ 2	\$ -	\$ 468	\$ 756	\$ 693	\$ 119	\$ -	\$ -	\$ -

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, 2013
 (Continued)

	High Ability Grant 12-13	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 10-11	Substance Abuse Grant 2012-13	Medicaid Reimbursement	Donation
Cash and investments - beginning	\$ -	\$ 982	\$ 4,000	\$ 450	\$ 25	\$ 445	\$ 776	\$ 2,892	\$ 12,061	\$ 12,419
Receipts:										
Local sources	-	7,992	4,000	3,988	-	-	-	2,722	-	48,885
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	29,123	-	-	-	-	-	-	-	20,435	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	29,123	7,992	4,000	3,988	-	-	-	2,722	20,435	48,885
Disbursements:										
Current:										
Instruction	24,721	8,103	5,407	3,996	-	-	435	2,873	10,748	18,946
Support services	-	-	-	-	-	-	-	-	-	25,935
Noninstructional services	-	-	-	-	-	-	-	-	-	1,280
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,721	8,103	5,407	3,996	-	-	435	2,873	10,748	46,161
Excess (deficiency) of receipts over disbursements	4,402	(111)	(1,407)	(8)	-	-	(435)	(151)	9,687	2,724
Cash and investments - ending	\$ 4,402	\$ 871	\$ 2,593	\$ 442	\$ 25	\$ 445	\$ 341	\$ 2,741	\$ 21,748	\$ 15,143

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, 2013
 (Continued)

	After School Program/Field Trip Fund	Parent Outreach Program	Afternoon's Rock	PC Student Activities Fund	Welborn Wellness Grant	OMHS Wellness Grant 2011-12	Welborn Grant 12-13 Heroes	School Technology 2010-2011	McKinney Vento Grant 2011-12	Alcoa Can't Waste Grant
Cash and investments - beginning	\$ 3,359	\$ 19,125	\$ (3,068)	\$ 261	\$ 2,138	\$ 3,440	\$ -	\$ 1,437	\$ (5,212)	\$ 1
Receipts:										
Local sources	1,365	13,555	18,192	216	-	-	5,658	-	-	-
Intermediate sources	-	-	-	-	375	-	19,220	-	21,338	-
State sources	-	-	-	-	-	-	-	6,231	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,365</u>	<u>13,555</u>	<u>18,192</u>	<u>216</u>	<u>375</u>	<u>-</u>	<u>24,878</u>	<u>6,231</u>	<u>21,338</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	578	-	12,061	340	-	-	-	-	-	-
Support services	-	-	-	-	-	3,438	-	5,945	16,126	1
Noninstructional services	-	10,488	-	-	23	-	10,798	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>578</u>	<u>10,488</u>	<u>12,061</u>	<u>340</u>	<u>23</u>	<u>3,438</u>	<u>10,798</u>	<u>5,945</u>	<u>16,126</u>	<u>1</u>
Excess (deficiency) of receipts over disbursements	<u>787</u>	<u>3,067</u>	<u>6,131</u>	<u>(124)</u>	<u>352</u>	<u>(3,438)</u>	<u>14,080</u>	<u>286</u>	<u>5,212</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 4,146</u>	<u>\$ 22,192</u>	<u>\$ 3,063</u>	<u>\$ 137</u>	<u>\$ 2,490</u>	<u>\$ 2</u>	<u>\$ 14,080</u>	<u>\$ 1,723</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, 2013
 (Continued)

	Evenstart 08-09	Evenstart 10-11	Title I 2008-2009	Title I 2010-2011	Title I 2011-2012	Title I 2012-2013	Evenstart 07-08	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	SP ED Improvement Grant 2013	Career Incentive
Cash and investments - beginning	\$ 36	\$ -	\$ 1	\$ -	\$ (3,776)	\$ -	\$ 3	\$ -	\$ -	\$ 201
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	11,882	109,922	-	70,000	57,504	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	11,882	109,922	-	70,000	57,504	-
Disbursements:										
Current:										
Instruction	36	-	-	-	8,106	109,922	3	58,369	57,504	-
Support services	-	-	-	-	-	-	-	11,631	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	36	-	-	-	8,106	109,922	3	70,000	57,504	-
Excess (deficiency) of receipts over disbursements	(36)	-	-	-	3,776	-	(3)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 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, 2013
 (Continued)

	Drug Free Schools	Title IV Safe & Drug Free	Nutrition Grant 2010-2011	PLTW 2010-2011	21st Century Learning Center	Reduce Alcohol Abuse Grant	US Forestry Dept Rickenbaugh	21ST Cent Comm Learn CTR 10-11	21ST Century Grant 2011-2012
Cash and investments - beginning	\$ 2	\$ 2	\$ 1,569	\$ -	\$ -	\$ -	\$ 25	\$ -	\$ (550)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	4,412
Temporary loans	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	4,412
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	1,250
Noninstructional services	-	-	1,414	-	3,563	-	25	-	2,612
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,414	-	3,563	-	25	-	3,862
Excess (deficiency) of receipts over disbursements	-	-	(1,414)	-	(3,563)	-	(25)	-	550
Cash and investments - ending	\$ 2	\$ 2	\$ 155	\$ -	\$ (3,563)	\$ -	\$ -	\$ -	\$ -

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, 2013
 (Continued)

	21ST Century Grant 2012-2013	McKinney Vento Grant 2012-13	Innovation Grant 2013-2014	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A	Title V Proj #06-6325	Special Education Part B Preschool	Education Jobs	Totals
Cash and investments - beginning	\$ (5,530)	\$ -	\$ -	\$ 1	\$ -	\$ 1,504	\$ -	\$ -	\$ 3,278,469
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,948,439
Intermediate sources	-	-	-	-	-	-	-	-	639,836
State sources	-	-	-	-	-	-	-	-	6,992,097
Federal sources	137,788	47,357	-	-	43,935	-	-	4,776	1,217,039
Temporary loans	-	-	-	-	-	-	-	-	447,067
Total receipts	<u>137,788</u>	<u>47,357</u>	<u>-</u>	<u>-</u>	<u>43,935</u>	<u>-</u>	<u>-</u>	<u>4,776</u>	<u>12,244,478</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	4,776	6,331,641
Support services	13,881	52,938	598	-	46,735	1,320	-	-	4,088,265
Noninstructional services	118,377	-	-	1	-	-	-	-	735,007
Facilities acquisition and construction	-	-	-	-	-	-	-	-	199,672
Debt services	-	-	-	-	-	-	-	-	209,755
Total disbursements	<u>132,258</u>	<u>52,938</u>	<u>598</u>	<u>1</u>	<u>46,735</u>	<u>1,320</u>	<u>-</u>	<u>4,776</u>	<u>11,564,340</u>
Excess (deficiency) of receipts over disbursements	<u>5,530</u>	<u>(5,581)</u>	<u>(598)</u>	<u>(1)</u>	<u>(2,800)</u>	<u>(1,320)</u>	<u>-</u>	<u>-</u>	<u>680,138</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (5,581)</u>	<u>\$ (598)</u>	<u>\$ -</u>	<u>\$ (2,800)</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,958,607</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE 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, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

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


Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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


Paul D. Joyce, CPA
State Examiner

December 5, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2012 and 2013

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 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 11/12 FY 12/13	\$ 41,641 -	\$ - 46,520
Total for program			<u>41,641</u>	<u>46,520</u>
National School Lunch Program	10.555	FY 11/12 FY 12/13	225,108 -	- 257,245
Total for program			<u>225,108</u>	<u>257,245</u>
Total for cluster			<u>266,749</u>	<u>303,765</u>
Team Nutrition Grants	10.574	EDS #A58-1-115F-010	2,392	1,414
Total for federal grantor agency			<u>269,141</u>	<u>305,179</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant Impact Aid Cluster Impact Aid	84.041	FY 11/12 FY 12/13	175,886 -	- 466,682
Total for program			<u>175,886</u>	<u>466,682</u>
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	SY 10-11 SY 11-12 SY 12-13	23,649 105,520 -	- 8,106 109,922
Total for cluster			<u>129,169</u>	<u>118,028</u>

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, 2012 and 2013
(Continued)

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 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	A58-3-13DL-0096 A58-3-13DL-1423	- -	70,000 57,504
Total for program			-	127,504
Pass-Through Greater Jasper Consolidated Schools				
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	6325	1,868	-
Total for cluster			1,868	127,504
Direct Grant				
Safe and Drug-Free Schools and Communities - National Programs				
Grants to Reduce Alcohol Abuse	84.184	Q184A080269-09	44,098	-
Safe Schools/Healthy Students	84.184	Q184L090440-10 Q184L090440-11 Q184L090440-12	385 634,154 -	- 83,387 556,934
Total for program			678,637	640,321
Direct Grant				
Twenty-First Century Community Learning Centers	84.287	FY 11/12 FY 12/13	128,012 5,529	3,861 132,259
Total for program			133,541	136,120
Pass-Through Southwest Dubois County School Corporation				
Career and Technical Education - Basic Grants to States	84.048	EDS #A58-1-11CI-267	1,506	-
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 09/10	3,309	-

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, 2012 and 2013
 (Continued)

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 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Education for Homeless Children and Youth	84.196			
		FY 11/12	68,372	16,125
		FY 12/13	-	52,938
Total for program			<u>68,372</u>	<u>69,063</u>
Even Start - State Educational Agencies				
	84.213			
		FY 10/11	<u>37,756</u>	<u>39</u>
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education	84.243			
Project Lead the Way		FY 10-11	<u>5,055</u>	-
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
		06-6325	<u>113</u>	<u>1,320</u>
Improving Teacher Quality State Grants				
	84.367			
		10-6325	28,655	-
		12-6325	<u>3,483</u>	<u>46,735</u>
Total for program			<u>32,138</u>	<u>46,735</u>
Education Jobs Fund				
	84.410			
		6325	<u>56,849</u>	<u>4,776</u>
Total for federal grantor agency			<u>1,324,199</u>	<u>1,610,588</u>
Total federal awards expended			<u>\$ 1,593,340</u>	<u>\$ 1,915,767</u>

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 includes the federal grant activity of the Perry 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. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 6,738	\$ 2,174
National School Lunch Program	10.555	31,501	38,810

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?	no
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.184	Impact Aid Cluster Safe and Drug-Free Schools and Communities - National Programs

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

Auditee qualified as low-risk auditee?	no
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PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2013-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Corrective Action Plan

FINDING 2013-1 – INTERNAL CONTROLS OVER FINANCIAL CONTROLS AND REPORTING

We recognize the need for internal controls and appreciate the opportunity to address the auditor's finding. In a small school corporation segregation of duties can be difficult and can require increased costs to the corporation for staffing. Our goal through this plan is to keep increased costs of staff to a minimum while working to break-up duties.

To this end, the following duties will be taken over by office assistants:

- Opening all mail
- Preparing bank deposits
- Certifying the receipt of good and services
- Mailing and distributing checks
- Posting vacation and sick leave
- Preparing claims

In addition, the superintendent will continue to review monthly expenditure reports and the school board will continue to approve all monthly claims. We appreciate the opportunity to work with the State Board of Accounts and will continue to be good stewards for the taxpayers.

Respectfully submitted,



Mary Roberson
Superintendent

PERRY CENTRAL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 5, 2013, with Sherry Knieriem, Treasurer, and Mary Roberson, Superintendent of Schools. The officials concurred with our audit findings.

Separate telephone exit conferences were held with Larry James, President of the School Board; and School Board members Earla Williams, Kevin Etienne, Tim Edwards, and Joe Flamion.