

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

PIKE COUNTY SCHOOL CORPORATION
PIKE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/12/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Krista J. Halbrader Darlene Small Chelsea Yon	07-01-13 to 01-14-15 01-15-15 to 06-30-15 07-01-15 to 12-31-17
Superintendent of Schools	Suzanne Blake	07-01-13 to 06-30-18
President of the School Board	Jerry Grubb David Waltz	01-01-13 to 12-31-14 01-01-15 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE PIKE COUNTY SCHOOL CORPORATION, PIKE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Pike County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Emphasis of Matter Regarding Going Concern

The accompanying financial statement has been prepared assuming the School Corporation will continue as a going concern. As discussed in Note 10 to the financial statement, the School Corporation has suffered recurring losses, subsequent to the financial statement date, that raise substantial doubt about its ability to continue as a going concern. The School Corporation's plans in regard to these matters are also described in Note 10. The financial statement does not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

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


INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 20, 2017, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

July 20, 2017



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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 PIKE COUNTY SCHOOL CORPORATION, PIKE 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 Pike County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated July 20, 2017, 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 a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

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 from 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

Pike County School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

July 20, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 176,690	\$ 18,472,556	\$ 18,361,748	\$ 524	\$ 288,022	\$ 16,400,364	\$ 15,574,671	\$ 13,973	\$ 1,127,688
Debt Service	1,024,297	1,670,879	1,648,028	-	1,047,148	1,623,040	1,616,768	-	1,053,420
Retirement/Severance Bond Debt Service	343,084	602,633	583,324	-	362,393	589,755	584,251	-	367,897
Capital Projects	1,068,289	7,989,028	7,600,602	(1,100,000)	356,715	4,090,228	2,962,524	(700,000)	784,419
School Transportation	824,943	9,760,839	8,681,632	(700,000)	1,204,150	4,382,608	3,111,194	(1,200,000)	1,275,564
School Bus Replacement	298,458	396,091	279,247	(200,000)	215,302	301,518	143,291	(200,000)	173,529
Rainy Day	995,842	2,547	2,019,372	2,000,000	979,017	-	1,679,017	2,100,000	1,400,000
Construction	168,592	5,000	173,592	-	-	-	-	-	-
Construct PCMS	420,693	-	72,467	-	348,226	-	21,663	-	326,563
Voc Building #2	22,549	-	-	-	22,549	-	-	-	22,549
School Lunch	375,531	1,036,441	1,059,846	-	352,126	1,032,747	996,828	-	388,045
Textbook Rental	287,595	189,023	170,371	-	306,247	182,796	143,370	(11,429)	334,244
Self-Insurance	245,022	1,885,796	1,587,446	-	543,372	1,811,123	2,110,840	-	243,655
Child Care Program	(7,159)	32	2,337	9,464	-	-	-	-	-
Educational License Plates	994	188	-	-	1,182	356	-	-	1,538
Alternative Education	-	5,530	125	-	5,405	3,987	3,111	-	6,281
Early Intervention Grant	1,237	-	1,138	-	99	-	99	-	-
Machine Trade SINE 2011	119	-	119	-	-	-	-	-	-
Machine Trades 2011	192	-	179	-	13	-	13	-	-
College Success Coalition	1,000	5,000	118	-	5,882	3,080	5,776	-	3,186
Miscellaneous Programs	29,090	-	29,090	-	-	-	-	-	-
Community Donations	20,838	28,631	37,715	-	11,754	29,782	28,713	-	12,823
Learning Through Literature	33	-	-	-	33	-	33	-	-
Community Donations PCHS - Shopko	8	-	8	-	-	-	-	-	-
Community Donations - McDonalds	4	273	269	-	8	1	9	-	-
Drug Demand Reproduction	1,002	3,250	1,592	-	2,660	-	1,200	-	1,460
OES Toyota Grant	1,137	-	1,005	-	132	-	40	-	92
IPL 2011 Grant	11	-	-	-	11	2,500	1,574	-	937
Adult GED	2,889	10,048	4,876	-	8,061	-	1,306	-	6,755
Monsanto Grant	1,717	-	1,717	-	-	-	-	-	-
Gateway SME	1	-	-	-	1	-	1	-	-
CTG Wellness Grant	579	5,519	6,098	-	-	-	-	-	-
High Ability 2012-2013	1,196	-	1,196	-	-	-	-	-	-
High Ability 2013-2014	-	32,307	9,866	(7,237)	15,204	-	15,204	-	-
High Ability 2014-2015	-	-	-	-	-	32,205	24,504	-	7,701
Medicaid Reimbursement	14,875	32,433	17,054	-	30,254	24,806	5,824	-	49,236
State Medicaid	-	6,044	-	-	6,044	18,355	9,244	-	15,155
Secured Schools Safety Grant	-	-	-	-	-	-	30,552	-	(30,552)
Non-English Speaking Programs P.L. 273-1999	708	-	404	-	304	-	304	-	-
Non-English Speaking Programs P.L. 273-1999 12/13	397	-	-	-	397	-	315	-	82
Non-English Speaking Programs P.L. 271-1999 2011	78	-	57	-	21	-	21	-	-
State Connectivity Grant	3,324	5,532	-	-	8,856	4,887	11,032	-	2,711
E-Rate	14,693	-	-	-	14,693	18,691	4,793	-	28,591
Senator David Ford Technology	-	231	231	-	-	28,558	34,558	-	(6,000)
Excess PTRC Distributions	27,931	-	-	-	27,931	-	25,227	-	2,704
Project Lead the Way	-	-	-	-	-	3,105	5,605	-	(2,500)
Title I 12/13	(12,296)	70,917	58,621	-	-	-	-	-	-
Title I 13/14	-	161,349	174,745	-	(13,396)	72,492	59,096	-	-
Title I 14/15	-	-	-	-	-	229,279	253,999	-	(24,720)
Basic Education Grant 11/12	(8,988)	14,112	5,124	-	-	88	88	-	-
Dollar General Literacy	15	-	-	-	15	-	15	-	-
Youth Risk Behavior Survey	-	400	400	-	-	-	-	-	-
Medicaid Reimbursement - Federal	-	12,227	-	-	12,227	31,024	375	-	42,876
Other Federal Programs	3,434	-	3,374	-	60	-	60	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	-	-	-	75,822	76,777	(2,544)	(3,499)
Title II, Part A 11/13	(8,710)	30,680	21,970	-	-	-	-	-	-
Title II, Part A 13/14	-	65,988	70,383	(2,751)	(7,146)	25,736	18,590	-	-
Petty Cash	40	-	-	-	40	-	40	-	-
Prepaid Food	-	-	-	-	-	7,828	-	-	7,828
Payroll	39,291	3,115,913	3,118,727	-	36,477	2,832,706	2,824,831	-	44,352
Fringe Benefit Clearing Fund	99	414	513	-	-	264	264	-	-
Totals	\$ 6,381,364	\$ 45,617,851	\$ 45,806,726	\$ -	\$ 6,192,489	\$ 33,859,731	\$ 32,387,610	\$ -	\$ 7,664,610

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

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

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

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

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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. Amounts 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. Amounts 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 amounts 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 amounts 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.

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

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

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporations

The School Corporation has entered into capital leases with Pike County Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2014 and 2015 totaled \$1,572,000 and \$1,580,000, respectively.

Note 9. Subsequent Events

The School Corporation has opted to close Otwell Elementary School at the end of the 2015-2016 school year.

Note 10. Going Concern

In November 2013, Superintendent of Schools, Suzanne Blake, notified the School Board of Trustees that the School Corporation was in deficit financing. Interfund loans, bank loans, and a heavy reliance on the use of the Rainy Day fund for General fund expenditures provided a misleading appearance of financial security.

1. In 2012, an interfund loan of \$1,500,000 was transferred to the General fund. Without the transfer, the General fund would have been a negative \$936,752. The Rainy Day fund was used to pay expenses for the final six weeks of 2012, otherwise the General fund would have shown a deficit of \$2.2 million.
2. In 2013, interfund loans of \$5.65 million were made to the General fund. In addition, the School Corporation used a tax anticipation warrant loan in the amount of \$3,682,000, with a due date of June 30, 2013, and a second tax anticipation warrant loan in the amount of \$4,000,000, with a due date of December 30, 2013. A third tax anticipation warrant loan in the amount of \$3,700,000, was used with a due date of June 2014. In addition, \$1 million was used from the Rainy Day fund. An additional appropriation request in the amount of \$2.9 million was denied by Department of Local Government Finance. This resulted in an overspending of the General fund in the amount of \$2.7 million.
3. In 2014, the School Corporation used a tax anticipation warrant loan in the amount of \$3,500,000, with a due date of December 31, 2014. In addition, an interfund loan of \$3,500,000 was made, and \$1.7 million was used from the Rainy Day fund.
4. In 2015, the School Corporation used a tax anticipation warrant loan in the amount of \$3,985,000, with a due date of December 31, 2015. The loan was based on anticipated revenue from the State (Basic Tuition Support), which allowed the money to be deposited directly into the General fund. This eliminated the need for an interfund transfer. An additional \$1.5 million was used from the Rainy Day fund.
5. In 2016, the School Corporation used a tax anticipation warrant loan in the amount of \$3,000,000, with a due date of December 30, 2016.

PIKE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

6. The School Corporation has implemented several cost-savings measures in an effort to reduce the deficit. Actions taken include: reduction of staff by absorbing positions where possible due to retirements; eliminating or consolidating positions; salary reductions; reduced hours; and implementing facility fees. Total savings from 2012 to 2014 was \$2.6 million.
7. In May 2015, the School Corporation placed a tax referendum question on the ballot. The proposed rate was \$0.29, which was projected to raise \$2.3 million. The Superintendent of Schools projected the rate would need to be implemented 5 years or less to bring the School Corporation finances out of deficit. The referendum was defeated by a 2:1 margin. Additional reductions were made to the teaching staff, athletic programs, and extra-curricular stipends. The School Board of Trustees voted to close the smallest elementary school, effective May 2016.
8. In December 2016, the School Corporation paid off the bank loan, and ended the calendar year with a General fund balance of \$387,053 on December 31, 2016. The School Corporation does not plan to advertise for a loan in 2017.

At this time, the School Corporation continues to monitor student enrollment, staffing needs, and overall expenditures. During 2015-2016, the School Corporation engaged in a district-wide strategic planning process. While beneficial in establishing goals for the School Corporation, the process also engaged students, parents, community members, and school employees in a discussion of school needs, both academically and financially.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construct PSMC
Cash and investments - beginning	\$ 176,690	\$ 1,024,297	\$ 343,084	\$ 1,068,289	\$ 824,943	\$ 298,458	\$ 995,842	\$ 168,592	\$ 420,693
Receipts:									
Local sources	173,556	1,670,879	602,633	2,433,729	2,610,760	196,091	-	-	-
Intermediate sources	616	-	-	-	-	-	-	-	-
State sources	12,040,599	-	-	-	-	-	-	-	-
Federal sources	27,941	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	3,300,000	3,700,000	200,000	-	-	-
Interfund loans	6,200,000	-	-	2,200,000	3,450,000	-	-	-	-
Other receipts	29,844	-	-	55,299	79	-	2,547	5,000	-
Total receipts	18,472,556	1,670,879	602,633	7,989,028	9,760,839	396,091	2,547	5,000	-
Disbursements:									
Instruction	9,423,963	-	-	-	-	-	700,000	-	-
Support services	3,123,495	155	-	1,048,587	1,381,632	79,247	1,319,312	-	-
Noninstructional services	158,390	-	-	-	-	-	60	-	-
Facilities acquisition and construction	5,900	-	-	152,015	-	-	-	173,592	72,467
Debt services	-	1,647,873	583,324	3,800,000	3,800,000	100,000	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	5,650,000	-	-	2,600,000	3,500,000	100,000	-	-	-
Total disbursements	18,361,748	1,648,028	583,324	7,600,602	8,681,632	279,247	2,019,372	173,592	72,467
Excess (deficiency) of receipts over disbursements	110,808	22,851	19,309	388,426	1,079,207	116,844	(2,016,825)	(168,592)	(72,467)
Other financing sources (uses):									
Transfers in	9,988	-	-	-	-	-	2,000,000	-	-
Transfers out	(9,464)	-	-	(1,100,000)	(700,000)	(200,000)	-	-	-
Total other financing sources (uses)	524	-	-	(1,100,000)	(700,000)	(200,000)	2,000,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	111,332	22,851	19,309	(711,574)	379,207	(83,156)	(16,825)	(168,592)	(72,467)
Cash and investments - ending	\$ 288,022	\$ 1,047,148	\$ 362,393	\$ 356,715	\$ 1,204,150	\$ 215,302	\$ 979,017	\$ -	\$ 348,226

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

	Voc Building #2	School Lunch	Textbook Rental	Self- Insurance	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Machine Trade SINE 2011
Cash and investments - beginning	\$ 22,549	\$ 375,531	\$ 287,595	\$ 245,022	\$ (7,159)	\$ 994	\$ -	\$ 1,237	\$ 119
Receipts:									
Local sources	-	213,969	123,280	1,885,796	-	-	-	-	-
Intermediate sources	-	-	-	-	-	188	-	-	-
State sources	-	7,222	65,743	-	-	-	5,530	-	-
Federal sources	-	430,847	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	384,403	-	-	32	-	-	-	-
Total receipts	-	1,036,441	189,023	1,885,796	32	188	5,530	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	125	1,138	-
Support services	-	910	170,371	-	350	-	-	-	119
Noninstructional services	-	1,058,936	-	-	1,987	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,587,446	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,059,846	170,371	1,587,446	2,337	-	125	1,138	119
Excess (deficiency) of receipts over disbursements	-	(23,405)	18,652	298,350	(2,305)	188	5,405	(1,138)	(119)
Other financing sources (uses):									
Transfers in	-	-	-	-	9,464	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	9,464	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(23,405)	18,652	298,350	7,159	188	5,405	(1,138)	(119)
Cash and investments - ending	\$ 22,549	\$ 352,126	\$ 306,247	\$ 543,372	\$ -	\$ 1,182	\$ 5,405	\$ 99	\$ -

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

	Machine Trades 2011	College Success Coalition	Miscellaneous Programs	Community Donations	Learning Through Literature	Community Donations PCHS - Shopko	Community Donations - McDonalds	Drug Demand Reproduction	OES Toyota Grant
Cash and investments - beginning	\$ 192	\$ 1,000	\$ 29,090	\$ 20,838	\$ 33	\$ 8	\$ 4	\$ 1,002	\$ 1,137
Receipts:									
Local sources	-	-	-	28,631	-	-	273	3,250	-
Intermediate sources	-	5,000	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	5,000	-	28,631	-	-	273	3,250	-
Disbursements:									
Instruction	-	118	-	37,715	-	8	269	1,592	1,005
Support services	179	-	29,090	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	179	118	29,090	37,715	-	8	269	1,592	1,005
Excess (deficiency) of receipts over disbursements	(179)	4,882	(29,090)	(9,084)	-	(8)	4	1,658	(1,005)
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	(179)	4,882	(29,090)	(9,084)	-	(8)	4	1,658	(1,005)
Cash and investments - ending	\$ 13	\$ 5,882	\$ -	\$ 11,754	\$ 33	\$ -	\$ 8	\$ 2,660	\$ 132

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

	IPL 2011 Grant	Adult GED	Monsanto Grant	Gateway SME	CTG Wellness Grant	High Ability 2012-2013	High Ability 2013-2014	High Ability 2014-2015	Medicaid Reimbursement
Cash and investments - beginning	\$ 11	\$ 2,889	\$ 1,717	\$ 1	\$ 579	\$ 1,196	\$ -	\$ -	\$ 14,875
Receipts:									
Local sources	-	-	-	-	5,519	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	32,307	-	32,433
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	10,048	-	-	-	-	-	-	-
Total receipts	-	10,048	-	-	5,519	-	32,307	-	32,433
Disbursements:									
Instruction	-	4,876	-	-	6,098	1,196	9,866	-	-
Support services	-	-	-	-	-	-	-	-	17,054
Noninstructional services	-	-	1,717	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,876	1,717	-	6,098	1,196	9,866	-	17,054
Excess (deficiency) of receipts over disbursements	-	5,172	(1,717)	-	(579)	(1,196)	22,441	-	15,379
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(7,237)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(7,237)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,172	(1,717)	-	(579)	(1,196)	15,204	-	15,379
Cash and investments - ending	\$ 11	\$ 8,061	\$ -	\$ 1	\$ -	\$ -	\$ 15,204	\$ -	\$ 30,254

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

	State Medicaid	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs P.L. 273-1999 12/13	Non-English Speaking Programs P.L. 271-1999 2011	State Connectivity Grant	E-Rate	Senator David Ford Technology	Excess PTRC Distributions
Cash and investments - beginning	\$ -	\$ -	\$ 708	\$ 397	\$ 78	\$ 3,324	\$ 14,693	\$ -	\$ 27,931
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	6,044	-	-	-	-	5,532	-	231	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	6,044	-	-	-	-	5,532	-	231	-
Disbursements:									
Instruction	-	-	404	-	57	-	-	231	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	404	-	57	-	-	231	-
Excess (deficiency) of receipts over disbursements	6,044	-	(404)	-	(57)	5,532	-	-	-
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	6,044	-	(404)	-	(57)	5,532	-	-	-
Cash and investments - ending	\$ 6,044	\$ -	\$ 304	\$ 397	\$ 21	\$ 8,856	\$ 14,693	\$ -	\$ 27,931

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

	Project Lead the Way	Title I 12/13	Title I 13/14	Title I 14/15	Basic Education Grant 11/12	Dollar General Literacy	Youth Risk Behavior Survey	Medicaid Reimbursement - Federal	Other Federal Programs
Cash and investments - beginning	\$ -	\$ (12,296)	\$ -	\$ -	\$ (8,988)	\$ 15	\$ -	\$ -	\$ 3,434
Receipts:									
Local sources	-	-	-	-	-	-	400	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	14,112	-	-	-	-
Federal sources	-	70,917	161,349	-	-	-	-	12,227	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	70,917	161,349	-	14,112	-	400	12,227	-
Disbursements:									
Instruction	-	58,621	149,500	-	5,124	-	-	-	-
Support services	-	-	24,101	-	-	-	400	-	2,415
Noninstructional services	-	-	1,144	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	959
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	58,621	174,745	-	5,124	-	400	-	3,374
Excess (deficiency) of receipts over disbursements	-	12,296	(13,396)	-	8,988	-	-	12,227	(3,374)
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	-	12,296	(13,396)	-	8,988	-	-	12,227	(3,374)
Cash and investments - ending	\$ -	\$ -	\$ (13,396)	\$ -	\$ -	\$ 15	\$ -	\$ 12,227	\$ 60

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

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II, Part A 11/13	Title II, Part A 13/14	Petty Cash	Prepaid Food	Payroll	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ (8,710)	\$ -	\$ 40	\$ -	\$ 39,291	\$ 99	\$ 6,381,364
Receipts:								
Local sources	-	-	-	-	-	-	-	9,948,766
Intermediate sources	-	-	-	-	-	-	-	5,804
State sources	-	-	-	-	-	-	-	12,209,753
Federal sources	-	30,680	65,988	-	-	-	-	799,949
Temporary loans	-	-	-	-	-	-	-	7,200,000
Interfund loans	-	-	-	-	-	-	-	11,850,000
Other receipts	-	-	-	-	-	3,115,913	414	3,603,579
Total receipts	-	30,680	65,988	-	-	3,115,913	414	45,617,851
Disbursements:								
Instruction	-	18,629	42,059	-	-	-	-	10,462,594
Support services	-	3,341	28,324	-	-	-	-	7,229,082
Noninstructional services	-	-	-	-	-	-	-	1,222,234
Facilities acquisition and construction	-	-	-	-	-	-	-	404,933
Debt services	-	-	-	-	-	-	-	9,931,197
Nonprogrammed charges	-	-	-	-	-	3,118,727	513	4,706,686
Interfund loans	-	-	-	-	-	-	-	11,850,000
Total disbursements	-	21,970	70,383	-	-	3,118,727	513	45,806,726
Excess (deficiency) of receipts over disbursements	-	8,710	(4,395)	-	-	(2,814)	(99)	(188,875)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	2,019,452
Transfers out	-	-	(2,751)	-	-	-	-	(2,019,452)
Total other financing sources (uses)	-	-	(2,751)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,710	(7,146)	-	-	(2,814)	(99)	(188,875)
Cash and investments - ending	\$ -	\$ -	\$ (7,146)	\$ 40	\$ -	\$ 36,477	\$ -	\$ 6,192,489

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construct PSMC
Cash and investments - beginning	\$ 288,022	\$ 1,047,148	\$ 362,393	\$ 356,715	\$ 1,204,150	\$ 215,302	\$ 979,017	\$ -	\$ 348,226
Receipts:									
Local sources	158,307	1,623,040	589,755	2,451,441	2,579,191	201,518	-	-	-
Intermediate sources	616	-	-	-	-	-	-	-	-
State sources	12,196,646	-	-	-	-	-	-	-	-
Federal sources	29,457	-	-	-	-	-	-	-	-
Temporary loans	3,985,000	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	1,600,000	1,800,000	100,000	-	-	-
Other receipts	30,338	-	-	38,787	3,417	-	-	-	-
Total receipts	<u>16,400,364</u>	<u>1,623,040</u>	<u>589,755</u>	<u>4,090,228</u>	<u>4,382,608</u>	<u>301,518</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	7,823,730	-	-	-	-	-	1,274,803	-	-
Support services	3,944,706	375	83	963,400	1,311,194	43,291	404,214	-	-
Noninstructional services	305,526	-	-	-	-	-	-	-	-
Facilities acquisition and construction	99	-	-	399,124	-	-	-	-	21,663
Debt services	-	1,616,393	584,168	1,600,000	1,800,000	100,000	-	-	-
Nonprogrammed charges	610	-	-	-	-	-	-	-	-
Interfund loans	3,500,000	-	-	-	-	-	-	-	-
Total disbursements	<u>15,574,671</u>	<u>1,616,768</u>	<u>584,251</u>	<u>2,962,524</u>	<u>3,111,194</u>	<u>143,291</u>	<u>1,679,017</u>	<u>-</u>	<u>21,663</u>
Excess (deficiency) of receipts over disbursements	<u>825,693</u>	<u>6,272</u>	<u>5,504</u>	<u>1,127,704</u>	<u>1,271,414</u>	<u>158,227</u>	<u>(1,679,017)</u>	<u>-</u>	<u>(21,663)</u>
Other financing sources (uses):									
Transfers in	13,973	-	-	-	-	-	2,100,000	-	-
Transfers out	-	-	-	(700,000)	(1,200,000)	(200,000)	-	-	-
Total other financing sources (uses)	<u>13,973</u>	<u>-</u>	<u>-</u>	<u>(700,000)</u>	<u>(1,200,000)</u>	<u>(200,000)</u>	<u>2,100,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>839,666</u>	<u>6,272</u>	<u>5,504</u>	<u>427,704</u>	<u>71,414</u>	<u>(41,773)</u>	<u>420,983</u>	<u>-</u>	<u>(21,663)</u>
Cash and investments - ending	<u>\$ 1,127,688</u>	<u>\$ 1,053,420</u>	<u>\$ 367,897</u>	<u>\$ 784,419</u>	<u>\$ 1,275,564</u>	<u>\$ 173,529</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 326,563</u>

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Voc Building #2	School Lunch	Textbook Rental	Self- Insurance	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Machine Trade SINE 2011
Cash and investments - beginning	\$ 22,549	\$ 352,126	\$ 306,247	\$ 543,372	\$ -	\$ 1,182	\$ 5,405	\$ 99	\$ -
Receipts:									
Local sources	-	564,295	119,110	1,811,123	-	-	-	-	-
Intermediate sources	-	-	-	-	-	356	-	-	-
State sources	-	-	61,726	-	-	-	3,987	-	-
Federal sources	-	432,585	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	35,867	1,960	-	-	-	-	-	-
Total receipts	-	1,032,747	182,796	1,811,123	-	356	3,987	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	3,111	99	-
Support services	-	820	143,370	2,234	-	-	-	-	-
Noninstructional services	-	996,008	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,108,606	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	996,828	143,370	2,110,840	-	-	3,111	99	-
Excess (deficiency) of receipts over disbursements	-	35,919	39,426	(299,717)	-	356	876	(99)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(11,429)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(11,429)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	35,919	27,997	(299,717)	-	356	876	(99)	-
Cash and investments - ending	\$ 22,549	\$ 388,045	\$ 334,244	\$ 243,655	\$ -	\$ 1,538	\$ 6,281	\$ -	\$ -

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Machine Trades 2011	College Success Coalition	Miscellaneous Programs	Community Donations	Learning Through Literature	Community Donations PCHS - Shopko	Community Donations - McDonalds	Drug Demand Reproduction	OES Toyota Grant
Cash and investments - beginning	\$ 13	\$ 5,882	\$ -	\$ 11,754	\$ 33	\$ -	\$ 8	\$ 2,660	\$ 132
Receipts:									
Local sources	-	3,080	-	29,782	-	-	1	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	3,080	-	29,782	-	-	1	-	-
Disbursements:									
Instruction	-	5,776	-	28,713	33	-	9	1,200	40
Support services	13	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	13	5,776	-	28,713	33	-	9	1,200	40
Excess (deficiency) of receipts over disbursements	(13)	(2,696)	-	1,069	(33)	-	(8)	(1,200)	(40)
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	(13)	(2,696)	-	1,069	(33)	-	(8)	(1,200)	(40)
Cash and investments - ending	\$ -	\$ 3,186	\$ -	\$ 12,823	\$ -	\$ -	\$ -	\$ 1,460	\$ 92

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	IPL 2011 Grant	Adult GED	Monsanto Grant	Gateway SME	CTG Wellness Grant	High Ability 2012-2013	High Ability 2013-2014	High Ability 2014-2015	Medicaid Reimbursement
Cash and investments - beginning	\$ 11	\$ 8,061	\$ -	\$ 1	\$ -	\$ -	\$ 15,204	\$ -	\$ 30,254
Receipts:									
Local sources	2,500	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	32,205	24,806
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	2,500	-	-	-	-	-	-	32,205	24,806
Disbursements:									
Instruction	1,574	1,306	-	-	-	-	15,204	24,504	441
Support services	-	-	-	-	-	-	-	-	5,383
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,574	1,306	-	1	-	-	15,204	24,504	5,824
Excess (deficiency) of receipts over disbursements	926	(1,306)	-	(1)	-	-	(15,204)	7,701	18,982
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	926	(1,306)	-	(1)	-	-	(15,204)	7,701	18,982
Cash and investments - ending	\$ 937	\$ 6,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,701	\$ 49,236

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	State Medicaid	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs P.L. 273-1999 12/13	Non-English Speaking Programs P.L. 271-1999 2011	State Connectivity Grant	E-Rate	Senator David Ford Technology	Excess PTRC Distributions
Cash and investments - beginning	\$ 6,044	\$ -	\$ 304	\$ 397	\$ 21	\$ 8,856	\$ 14,693	\$ -	\$ 27,931
Receipts:									
Local sources	-	-	-	-	-	-	18,691	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	18,355	-	-	-	-	4,887	-	28,558	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	18,355	-	-	-	-	4,887	18,691	28,558	-
Disbursements:									
Instruction	-	30,552	304	315	21	-	-	-	-
Support services	9,244	-	-	-	-	11,032	4,793	24,358	25,227
Noninstructional services	-	-	-	-	-	-	-	10,200	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	9,244	30,552	304	315	21	11,032	4,793	34,558	25,227
Excess (deficiency) of receipts over disbursements	9,111	(30,552)	(304)	(315)	(21)	(6,145)	13,898	(6,000)	(25,227)
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	9,111	(30,552)	(304)	(315)	(21)	(6,145)	13,898	(6,000)	(25,227)
Cash and investments - ending	\$ 15,155	\$ (30,552)	\$ -	\$ 82	\$ -	\$ 2,711	\$ 28,591	\$ (6,000)	\$ 2,704

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Project Lead the Way	Title I 12/13	Title I 13/14	Title I 14/15	Basic Education Grant 11/12	Dollar General Literacy	Youth Risk Behavior Survey	Medicaid Reimbursement - Federal	Other Federal Programs
Cash and investments - beginning	\$ -	\$ -	\$ (13,396)	\$ -	\$ -	\$ 15	\$ -	\$ 12,227	\$ 60
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	3,105	-	-	-	88	-	-	-	-
Federal sources	-	-	72,492	229,279	-	-	-	31,024	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	3,105	-	72,492	229,279	88	-	-	31,024	-
Disbursements:									
Instruction	5,605	-	51,204	194,376	88	-	-	375	-
Support services	-	-	7,892	57,623	-	-	-	-	41
Noninstructional services	-	-	-	2,000	-	15	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	19
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	5,605	-	59,096	253,999	88	15	-	375	60
Excess (deficiency) of receipts over disbursements	(2,500)	-	13,396	(24,720)	-	(15)	-	30,649	(60)
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	(2,500)	-	13,396	(24,720)	-	(15)	-	30,649	(60)
Cash and investments - ending	\$ (2,500)	\$ -	\$ -	\$ (24,720)	\$ -	\$ -	\$ -	\$ 42,876	\$ -

PIKE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II, Part A 11/13	Title II, Part A 13/14	Petty Cash	Prepaid Food	Payroll	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (7,146)	\$ 40	\$ -	\$ 36,477	\$ -	\$ 6,192,489
Receipts:								
Local sources	-	-	-	-	-	-	-	10,151,834
Intermediate sources	-	-	-	-	-	-	-	972
State sources	-	-	-	-	-	-	-	12,374,363
Federal sources	75,822	-	25,736	-	-	-	-	896,395
Temporary loans	-	-	-	-	-	-	-	3,985,000
Interfund loans	-	-	-	-	-	-	-	3,500,000
Other receipts	-	-	-	-	7,828	2,832,706	264	2,951,167
Total receipts	<u>75,822</u>	<u>-</u>	<u>25,736</u>	<u>-</u>	<u>7,828</u>	<u>2,832,706</u>	<u>264</u>	<u>33,859,731</u>
Disbursements:								
Instruction	57,368	-	13,838	-	-	-	-	9,534,589
Support services	19,409	-	4,752	-	-	-	-	6,983,454
Noninstructional services	-	-	-	-	-	-	-	1,313,749
Facilities acquisition and construction	-	-	-	-	-	-	-	420,906
Debt services	-	-	-	-	-	-	-	5,700,561
Nonprogrammed charges	-	-	-	40	-	2,824,831	264	4,934,351
Interfund loans	-	-	-	-	-	-	-	3,500,000
Total disbursements	<u>76,777</u>	<u>-</u>	<u>18,590</u>	<u>40</u>	<u>-</u>	<u>2,824,831</u>	<u>264</u>	<u>32,387,610</u>
Excess (deficiency) of receipts over disbursements	<u>(955)</u>	<u>-</u>	<u>7,146</u>	<u>(40)</u>	<u>7,828</u>	<u>7,875</u>	<u>-</u>	<u>1,472,121</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	2,113,973
Transfers out	<u>(2,544)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,113,973)</u>
Total other financing sources (uses)	<u>(2,544)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,499)</u>	<u>-</u>	<u>7,146</u>	<u>(40)</u>	<u>7,828</u>	<u>7,875</u>	<u>-</u>	<u>1,472,121</u>
Cash and investments - ending	<u>\$ (3,499)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,828</u>	<u>\$ 44,352</u>	<u>\$ -</u>	<u>\$ 7,664,610</u>

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PIKE COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 66,034</u>	<u>\$ 67,271</u>

PIKE COUNTY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Pike County Multi-School Building Corporation	School Buildings	\$ 1,401,500	1/15/2006	7/15/2025
Pike County Multi-School Building Corporation	Machine Trades Addition	<u>172,000</u>	7/15/2010	1/25/2025
Total governmental activities		<u>1,573,500</u>		
Total of annual lease payments		<u>\$ 1,573,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement Bonds	\$ 2,590,000	\$ 585,498
Tax anticipation warrants	Cash Flow	<u>3,985,000</u>	<u>4,062,309</u>
Total governmental activities		<u>6,575,000</u>	<u>4,647,807</u>
Totals		<u>\$ 6,575,000</u>	<u>\$ 4,647,807</u>

PIKE COUNTY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 139,000
Infrastructure	973,480
Buildings	41,489,700
Machinery, equipment, and vehicles	6,122,289
Total governmental activities	48,724,469
Total capital assets	\$ 48,724,469

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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 PIKE COUNTY SCHOOL CORPORATION, PIKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Pike County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2015-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA) regarding Matching, Level of Effort, Earmarking. Consequently, we were unable to determine whether the School Corporation complied with this requirement applicable to the program.

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

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Special Education Cluster (IDEA) regarding Matching, Level of Effort, Earmarking, described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002 and 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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

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

not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003, and 2015-004 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

July 20, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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PIKE COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2013-2014 FY 2014-2015	\$ -	\$ 96,778	\$ -	\$ -
				-	-	-	101,918
Total - School Breakfast Program				-	96,778	-	101,918
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
			FY 2013-2014	-	334,069	-	-
			FY 2014-2015	-	-	-	330,667
Commodities			FY 2013-2014	-	38,634	-	-
Commodities			FY 2014-2015	-	-	-	25,834
Total - National School Lunch Program				-	372,703	-	356,501
Total - Child Nutrition Cluster				-	469,481	-	458,419
Total - Department of Agriculture				-	469,481	-	458,419
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Special Education Basic Grant			14213011PN01	-	14,112	-	88
FY 2014 Part B IDEA 611			14214011PN01	-	237,038	-	212,527
FY 2015 Part B IDEA 611			14215011PN01	-	-	-	217,298
FY 2014 Tech Assist			99914011TA01	-	6,325	-	3,772
Total - Special Education_Grants to States				-	257,475	-	433,685
Special Education_Preschool Grants							
Special Education_Preschool Grants	Indiana Department of Education	84.173					
FY 2014 Preschool 619			45714011PN01	-	12,293	-	15,308
FY 2015 Preschool 619			45715011PN01	-	-	-	11,451
Total - Special Education_Preschool Grants				-	12,293	-	26,759
Total - Special Education Cluster (IDEA)				-	269,768	-	460,444
Title I Grants to Local Educational Agencies							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2012/2013			13-6445	-	70,917	-	-
Title I 2013/2014			14-6445	-	161,349	-	72,492
Title I 2014/2015			15-6445	-	-	-	229,279
Total - Title I Grants to Local Educational Agencies				-	232,266	-	301,771
Improving Teacher Quality State Grants							
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II Part A			FY 2011-2013	-	30,680	-	-
Title II A Part A 13/14			FY 2013-2014	-	65,988	-	25,736
Title II Part A 14/15			FY 2014-2015	-	-	-	75,822
Total - Improving Teacher Quality State Grants				-	96,668	-	101,558
College Access Challenge Grant Program							
College Access Challenge Grant Program	Indiana Department of Education	84.378	2012 CACGP	-	5,000	-	-
Total - College Access Challenge Grant Program				-	5,000	-	-
Total - Department of Education				-	603,702	-	863,773
Total federal awards expended				\$ -	\$ 1,073,183	\$ -	\$ 1,322,192

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

PIKE COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Exceptional Children's Cooperative

The School Corporation is a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement of the School Corporation.

PIKE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	
Special Education Cluster (IDEA)	Qualified
Title I Grants to Local Educational Agencies	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2015-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards.

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

The SEFA presented for audit contained the following errors: Total federal expenditures were understated by \$730,137 in the 2013-2014 school year, and overstated by \$265,828 in the 2014-2015 school year, one federal program was omitted from the SEFA for 2013-2014, and four of the six program names were incorrect. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § _____.310. . . ."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

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

- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Cause

Management had not established a system of internal control that would ensure proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002

Subject: Special Education_Grants to States - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Special Education_Grants to States
CFDA Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 14213011PN01, 14214011PN01,
14215011PN01, 99914011TA01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

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

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

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

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

Context

During the 2014-2015 school year, there were two contracts entered into that exceeded \$25,000. The Cooperative did not verify that the vendors were not suspended or debarred prior to awarding the contracts.

Criteria

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

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

2 CFR 180.300 states:

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

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

Cause

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

Effect

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

Questioned Costs

There were no question costs identified.

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

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-003

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions -
Assessment System Security
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 13-6445, 14-6445, 15-6445
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Assessment System Security
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place to ensure that a written test security policy, describing the School Corporation's policies and procedures for ensuring the security of assessment testing, was developed and implemented.

On October 12, 2015, the School Board approved a document entitled, "Student Assessment," which stated, "The Superintendent shall develop and implement a plan which complies with the guidelines established by the Indiana Department of Education." However, no such plan had been developed or implemented.

Context

Assessment System Security policies and procedures were not developed and implemented during the 2014-2015 school year.

Criteria

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

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

2 CFR 200.207(a) states in part: . . . The Federal awarding agency or pass-through entity may impose additional specific award conditions . . ."

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

Indiana Assessment Program Manual, Chapter 10, Part D states in part:

"Every school corporation . . . that administers tests under the Indiana Assessment System must have a locally developed written test security policy. The test security policy developed by the entity should:

- Specify that secured test material should not be delivered to school buildings more than one week (preferably less) in advance of the test administration;
- Specify that teachers and other school staff members are not allowed access to secure materials (except for the Examiner's Manual) more than 24 hours in advance of test administration; and
- Describe the entity's plan for ensuring the security of assessment materials during the testing and storage of all secure assessment materials before, during, and after testing. All test materials should be stored at a central location under lock and key."

Cause

Management had not developed a system of internal controls that would have ensured that a written test security policy was developed and implemented.

Effect

The failure to establish a system of internal controls that would have ensured that a written test security policy was developed and implemented, resulted in the School Corporation's noncompliance with the Special Tests and Provisions - Assessment System Security requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and to comply with the grant agreement and compliance requirement listed above.

Views of Responsible Officials

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

FINDING 2015-004

Subject: Special Education_Grants to States - Matching, Level of Effort, Earmarking

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213011PN01, 14214011PN01,
14215011PN01, 99914011TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness, a Scope Limitation which caused a Modified Opinion

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

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation was a member of a Special Education Cooperative (Cooperative). The Treasurer independently prepared the Level of Effort - Maintenance of Effort (MOE) calculation worksheets and submitted them to the Cooperative during the audit period. The documentation to support the MOE calculations was not retained and available for audit. There was no evidence of an oversight, review, or approval process to ensure the accuracy of the MOE calculations.

Context

It could not be determined whether the MOE calculations were performed correctly for either year of the audit period due to supporting documentation not being retained and available for audit. There was no evidence of an oversight, review, or approval process for either year.

Criteria

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

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

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

Cause

Management of the School Corporation had not developed a system of internal controls, including segregation of duties, that would have ensured that the documentation to support the MOE calculations were retained and available for audit.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish a system of internal controls, including segregation of duties, over the Matching, Level of Effort, Earmarking requirements that would ensure that records are retained and available for audit.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENT

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



Pike County School Corporation

211 S 12th Street, Petersburg, Indiana 47567
Telephone: 812-354-8731 Fax: 812-354-8733 Web Site: www.pcsc.k12.in.us

Board of Education
David Waltz, President
Chris Satterfield, Vice President
Ron Sharp, Secretary
Chris McKinney, Member
Steve Potter, Member

Suzanne Blake, Superintendent

CORRECTIVE ACTION PLAN

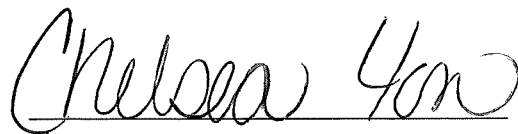
FINDING 2015-001

Contact Person Responsible for Corrective Action: Chelsea Yon, Treasurer
Contact Phone Number: 812-354-8731

Description of Corrective Action Plan: Audit adjustments were proposed, accepted by the school, and made to the Schedule of Expenditures of Federal Awards (SEFA). As a result, the SEFA reported in the audit report are correct in relation to the financial reports.

The Treasurer will run expenditure history and revenue history reports for Federal awards and will follow the internal control manual guidelines for proper review and approval before submission of the SEFA report. The internal control manual was adopted by the Pike County School Corporation Board of Trustees on June 13, 2017.

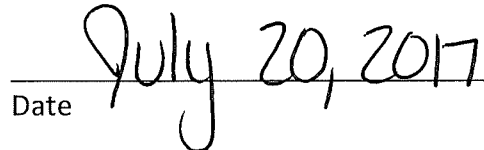
Anticipated Completion Date: July 20, 2017



Signature



Title



Date



Pike County School Corporation

211 S 12th Street, Petersburg, Indiana 47567
Telephone: 812-354-8731 Fax: 812-354-8733 Web Site: www.pcsc.k12.in.us

Board of Education
David Waltz, President
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Ron Sharp, Secretary
Chris McKinney, Member
Steve Potter, Member

Suzanne Blake, Superintendent

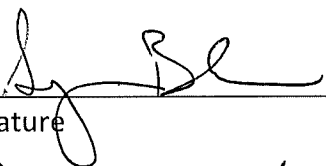
CORRECTIVE ACTION PLAN


FINDING 2015-002

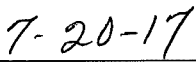
Contact Person Responsible for Corrective Action: Suzanne Blake, Superintendent
Contact Phone Number: 812-354-8731

Description of Corrective Action Plan: As a Board Member of The Exceptional Children's Co-Operative the Superintendent will insure that all subcontractors are not presently debarred, suspended, proposed debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana before contracts are signed.

Anticipated Completion Date: July 20, 2017



Signature


Title


Date



Pike County School Corporation

211 S 12th Street, Petersburg, Indiana 47567

Telephone: 812-354-8731 Fax: 812-354-8733 Web Site: www.pcsc.k12.in.us

Board of Education
David Waltz, President
Chris Satterfield, Vice President
Ron Sharp, Secretary
Chris McKinney, Member
Steve Potter, Member

Suzanne Blake, Superintendent

CORRECTIVE ACTION PLAN


FINDING 2015-003

Contact Person Responsible for Corrective Action: Suzanne Blake, Superintendent
Contact Phone Number: 812-354-8731

Description of Corrective Action Plan: A written test security policy will be submitted to the Pike County School Board of Trustees for approval. The policy will specify when test materials will be delivered to the school buildings, when teachers or school staff may have access to the testing materials, and how/where test materials will be stored before, during and after testing.

The internal control manual was adopted by the Pike County School Corporation Board of Trustees on June 13, 2017. The guidelines include oversight of state and federal grant funds.

Anticipated Completion Date: September 12, 2017



Signature

Superintendent

Title

7-20-17

Date



Pike County School Corporation

211 S 12th Street, Petersburg, Indiana 47567
Telephone: 812-354-8731 Fax: 812-354-8733 Web Site: www.pcsc.k12.in.us

Board of Education
David Waltz, President
Chris Satterfield, Vice President
Ron Sharp, Secretary
Chris McKinney, Member
Steve Potter, Member

Suzanne Blake, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-004

Contact Person Responsible for Corrective Action: Chelsea Yon, Treasurer
Contact Phone Number: 812-354-8731

Description of Corrective Action Plan: The Treasurer will prepare the Level of Effort – Maintenance of Effort (MOE) and submit to The Exceptional Children’s Co-Operative for submission. The Superintendent will review the calculation worksheets and supporting documentation and sign as verification. Copies of all supporting documentation and calculation worksheets will be kept by the Treasurer and Superintendent.

The internal control manual was adopted by the Pike County School Corporation Board of Trustees on June 13, 2017. The manual contains guidelines for the segregation of duties over the Matching, Level of Effort, Earmarking requirements ensuring records are retained and available for audit.

Anticipated Completion Date: July 20, 2017

Chelsea Yon
Signature

Treasurer
Title

July 20, 2017
Date

OTHER REPORTS

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