

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

EXAMINATION REPORT  
OF  
WHITE RIVER VALLEY SCHOOL CORPORATION  
GREENE COUNTY, INDIANA  
July 1, 2004 to June 30, 2006



**FILED**  
03/09/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jayne A. Kaho	07-01-04 to 06-30-07
Superintendent of Schools	Layton E. Wall	07-01-04 to 06-30-07
President of the School Board	Shari Hostetter Roger Shake	07-01-04 to 06-30-06 07-01-06 to 06-30-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WHITE RIVER VALLEY SCHOOL CORPORATION, GREENE COUNTY, INDIANA

We have examined the financial information presented herein of White River Valley School Corporation (School Corporation), for the period of July 1, 2004 to June 30, 2006. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 25, 2007

WHITE RIVER VALLEY SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 2,462,063
Restricted assets:	
Cash and investments	<u>394,492</u>
Total assets	<u>\$ 2,856,555</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 394,492
Unrestricted	<u>2,462,063</u>
Total net assets	<u>\$ 2,856,555</u>

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 STATEMENT OF CASH AND INVESTMENTS  
 June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,035,366
Restricted assets:	
Cash and investments	<u>300,682</u>
Total assets	<u>\$ 3,336,048</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 300,682
Unrestricted	<u>3,035,366</u>
Total net assets	<u>\$ 3,336,048</u>

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 4,237,369	\$ -	\$ 37,922	\$ (4,199,447)
Support services	4,785,568	333,294	157,636	(4,294,638)
Community services	114,852	-	-	(114,852)
Nonprogrammed charges	1,045,878	-	-	(1,045,878)
Debt service	3,052,620	-	-	(3,052,620)
<b>Total governmental activities</b>	<b>\$ 13,236,287</b>	<b>\$ 333,294</b>	<b>\$ 195,558</b>	<b>(12,707,435)</b>
General receipts:				
Property taxes				6,907,560
Other local sources				928,415
State aid				3,212,790
Grants and contributions not restricted				415,402
Bonds and loans				700,000
Sale of property, adjustments, and refunds				147,344
Investment earnings				21,374
Intergovernmental transfers				158,406
				12,491,291
				(216,144)
				3,072,699
				\$ 2,856,555

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 4,393,528	\$ -	\$ 40,465	\$ (4,353,063)
Support services	4,444,534	313,068	162,926	(3,968,540)
Community services	116,714	-	-	(116,714)
Nonprogrammed charges	231,165	-	-	(231,165)
Debt service	960,860	-	-	(960,860)
Total governmental activities	\$ 10,146,801	\$ 313,068	\$ 203,391	(9,630,342)
General receipts:				
Property taxes				4,583,131
Other local sources				558,262
State aid				3,526,828
Grants and contributions not restricted				1,169,250
Sale of property, adjustments, and refunds				187,935
Investment earnings				41,038
Intergovernmental transfers				43,391
				Total general receipts and intergovernmental transfers
				10,109,835
				Change in cash and investments
				479,493
				Net assets - beginning
				2,856,555
				Net assets - ending
				\$ 3,336,048

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Cape Grant	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 4,570,471	\$ 741,735	\$ 9,684	\$ 798,813	\$ 1,156,179	\$ 103,228	\$ 810,242	\$ 8,190,352
Intermediate sources	-	-	-	-	-	-	431	431
State sources	3,250,712	-	-	-	-	-	69,356	3,320,068
Federal sources	25,918	-	-	-	-	-	477,624	503,542
Bonds and loans	700,000	-	-	-	-	-	-	700,000
Sale of property, adjustments and refunds	128,239	72	-	-	56	-	18,977	147,344
Intergovernmental transfers	-	-	-	112,943	-	-	45,463	158,406
<b>Total receipts</b>	<u>8,675,340</u>	<u>741,807</u>	<u>9,684</u>	<u>911,756</u>	<u>1,156,235</u>	<u>103,228</u>	<u>1,422,093</u>	<u>13,020,143</u>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	3,258,657	-	733,351	-	-	-	245,361	4,237,369
Support services	2,694,754	453,305	309,994	-	723,209	74,928	529,378	4,785,568
Community services	114,744	-	-	-	-	-	108	114,852
Nonprogrammed charges	328,480	-	592,385	-	-	-	125,013	1,045,878
Debt services	2,300,000	-	-	635,743	-	-	116,877	3,052,620
<b>Total disbursements</b>	<u>8,696,635</u>	<u>453,305</u>	<u>1,635,730</u>	<u>635,743</u>	<u>723,209</u>	<u>74,928</u>	<u>1,016,737</u>	<u>13,236,287</u>
Excess (deficiency) of total receipts over (under) total disbursements	(21,295)	288,502	(1,626,046)	276,013	433,026	28,300	405,356	(216,144)
Cash and investments - beginning	(255,296)	(38,279)	2,482,961	(4,433)	675,308	10,725	201,713	3,072,699
Cash and investments - ending	<u>\$ (276,591)</u>	<u>\$ 250,223</u>	<u>\$ 856,915</u>	<u>\$ 271,580</u>	<u>\$ 1,108,334</u>	<u>\$ 39,025</u>	<u>\$ 607,069</u>	<u>\$ 2,856,555</u>

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Cape Grant	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,942,494	\$ 546,755	\$ 826,765	\$ 619,567	\$ 822,661	\$ 84,180	\$ 452,589	\$ 6,295,011
Intermediate sources	-	-	-	-	-	-	488	488
State sources	3,529,048	-	-	-	-	-	65,862	3,594,910
Federal sources	-	-	-	-	-	-	504,559	504,559
Sale of property, adjustments and refunds	131,685	32	-	-	-	-	56,218	187,935
Intergovernmental transfers	32,184	-	-	-	-	-	11,207	43,391
<b>Total receipts</b>	<b>6,635,411</b>	<b>546,787</b>	<b>826,765</b>	<b>619,567</b>	<b>822,661</b>	<b>84,180</b>	<b>1,090,923</b>	<b>10,626,294</b>
Disbursements:								
Current:								
Instruction	3,586,795	-	422,906	-	-	-	383,827	4,393,528
Support services	2,400,051	485,760	199,196	-	727,627	41,666	590,234	4,444,534
Community services	115,765	-	-	-	-	-	949	116,714
Nonprogrammed charges	189,274	-	-	-	-	-	41,891	231,165
Debt services	-	-	-	613,200	-	-	347,660	960,860
<b>Total disbursements</b>	<b>6,291,885</b>	<b>485,760</b>	<b>622,102</b>	<b>613,200</b>	<b>727,627</b>	<b>41,666</b>	<b>1,364,561</b>	<b>10,146,801</b>
Excess (deficiency) of total receipts over (under) total disbursements	343,526	61,027	204,663	6,367	95,034	42,514	(273,638)	479,493
Cash and investments - beginning	(276,591)	250,223	856,915	271,580	1,108,334	39,025	607,069	2,856,555
Cash and investments - ending	<u>\$ 66,935</u>	<u>\$ 311,250</u>	<u>\$ 1,061,578</u>	<u>\$ 277,947</u>	<u>\$ 1,203,368</u>	<u>\$ 81,539</u>	<u>\$ 333,431</u>	<u>\$ 3,336,048</u>

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 For The Year Ended June 30, 2005

	<u>Pension Trust Funds</u>
Deductions:	
Support services	\$ <u>46,898</u>
Cash and investments - beginning	<u>1,146,265</u>
Cash and investments - ending	<u>\$ 1,099,367</u>

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 For The Year Ended June 30, 2006

	<u>Pension Trust Funds</u>
Additions:	
Bonds and loans	<u>\$ 2,220,060</u>
Deductions:	
Support services	<u>2,632,034</u>
Deficiency of total additions under total deductions	(411,974)
Cash and investments - beginning	<u>1,099,367</u>
Cash and investments - ending	<u><u>\$ 687,393</u></u>

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 STATEMENT OF CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 June 30, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 1,099,367	\$ 174,209
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 1,099,367	

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 STATEMENT OF CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 687,393	\$ 44,215
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 687,393	

The accompanying notes are an integral part of the financial statements.

WHITE RIVER VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash and Investments and the Statement of Cash Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The cape grant fund accounts for receipts and disbursements concerning the attendance of students in all Greene County Schools. White River Valley School Corporation is the LEA for the original 4.6 million dollar grant which was received from the Lilly Foundation. During the current examination period an additional \$800,000 dollar grant was received from the Lilly Foundation.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

WHITE RIVER VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance bond fund, which accumulates resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for the employees and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

**B. Measurement Focus and Basis of Accounting**

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 NOTES TO FINANCIAL INFORMATION  
 (Continued)

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>	<u>2006</u>
Other governmental	General Fund	\$ -	\$ 32,184
Other governmental	Debt Service	112,943	-
Other governmental	Other governmental	<u>45,463</u>	<u>11,207</u>
Totals		<u>\$ 158,406</u>	<u>\$ 43,391</u>

The School Corporation typically uses transfers for cash flow purposes according to various statutes.

WHITE RIVER VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 7. Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), 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 TRF 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% 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.

TRF 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:

WHITE RIVER VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Teacher's Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

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.

WHITE RIVER VALLEY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 862,501	\$ 708,648	\$ 153,853	122%	\$ 721,580	21%
07-01-04	868,210	682,402	185,808	127%	671,397	28%
07-01-05	894,642	929,667	(35,025)	96%	940,766	(4%)

# White River Valley School Corporation

Post Office Box 1470  
State Road 54  
Switz City, Indiana 47465  
812-659-1424  
Fax 812-659-2278  
admincenter@wrv.k12.in.us

Layton E. Wall  
Superintendent

Jayne A. Kaho  
Corporation Treasurer

Kim Downey  
Deputy Treasurer/Secretary

## WHITE RIVER VALLEY SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2006

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 129,000
Buildings	19,431,920
Improvements other than buildings	1,326,222
Machinery and equipment	<u>3,391,816</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 24,278,958</u>

Lyons Elementary/Jr. High  
R.R. 1 Box 70A  
Lyons, Indiana 47443  
812-659-3912

White River Valley High School  
Post Office Box 1470  
Switz City, Indiana 47465  
812-659-2274

Worthington Elementary/Jr. High  
484 West Main Street  
Worthington, Indiana 47471  
812-875-3839

# White River Valley School Corporation

Post Office Box 1470  
 State Road 54  
 Switz City, Indiana 47465  
 812-659-1424  
 Fax 812-659-2278  
 admincenter@wrv.k12.in.us

Layton E. Wall  
*Superintendent*

Jayne A. Kaho  
*Corporation Treasurer*

Kim Downey  
*Deputy Treasurer/Secretary*

WHITE RIVER VALLEY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For Year Ended June 30, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
School Building	\$ 1,175,000	\$ 304,000
Bonds payable:		
Revenue bonds:		
Retirement/Severence	925,000	95,000
Retirement/Severence	<u>2,250,000</u>	<u>-</u>
Total governmental activities long-term debt	<u>\$ 4,350,000</u>	<u>\$ 399,000</u>

Lyons Elementary/Jr. High  
AS2.1 - 2806whiterivervalleyschoolcorporation - 11-1-2006.xls Schedule of Debt  
 R.R. 1 Box 70A  
 Lyons, Indiana 47443  
 812-659-3912

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White River Valley High School  
 Post Office Box 1470  
 Switz City, Indiana 47465  
 812-659-2274

Worthington Elementary/Jr. High  
 484 West Main Street  
 Worthington, Indiana 47471  
 812-875-3839

WHITE RIVER VALLEY SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

HOPE GRANT FUNDS

Hope Grant Funds were recorded and retained in the extra-curricular records.

All financial transactions related to the School Corporation should be accounted for in the School Corporation records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

Indiana Code 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for all the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

TEXTBOOK RENTAL - (Applies to White River Valley High School)

The White River Valley High School did not use the Board approved textbook rental charges for all classes.

Indiana Code 20-26-12-2 states in part:

"(a) A governing body may purchase from a contracting publisher, at a price equal to less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or non-public school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body.

The annual rental may not exceed twenty-five percent (25%) of the retail price of the textbooks."

All authorized educational fees (the School Board should be able to justify any educational fees (nonpayroll positions) and ensure Constitutional problems do not exist) must be receipted to the General Fund of the school corporation and included as miscellaneous revenues when preparing the school corporation budget. Textbook rental funds maintained at a school building may be used to temporarily record proper fees collected (as a convenience during the collection process of textbook rental). However, proper educational fees belong in the school corporation general fund and should be transferred timely. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

WHITE RIVER VALLEY SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

FUND SOURCES AND USES

Funds were disbursed from the Capital Projects Fund for bookkeeping consulting services.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - AMOUNT DUE THE STATE  
OF INDIANA DUE TO CORRECTED ENROLLMENT FIGURES

Prior Report B25166 noted a difference between the student count reported for Average Daily Membership and the verified figures of one student for 2002-2003 school year. The Report concluded that School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment the School Corporation has received or could receive in the future because of incorrect reporting.

The Department of Education notified the School Corporation by letter dated August 30, 2005, of the recalculation of the Basic Grant based upon the State Board of Accounts Audit and subsequent corrected counts for average daily membership which resulted in the School Corporation being required to refund a total of \$536.28 and \$633.01 to the State of Indiana for 2002-2003 school year and 2003-2004 school year, respectively. Additionally, the corrected counts caused a recalculation of the 2005 Basic Grant that would be paid to the School Corporation.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9).

WHITE RIVER VALLEY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2007, with Layton E. Wall, Superintendent of Schools; Jayne A. Kaho, Treasurer; and Roger Shake, President of the School Board. The officials concurred with our findings.