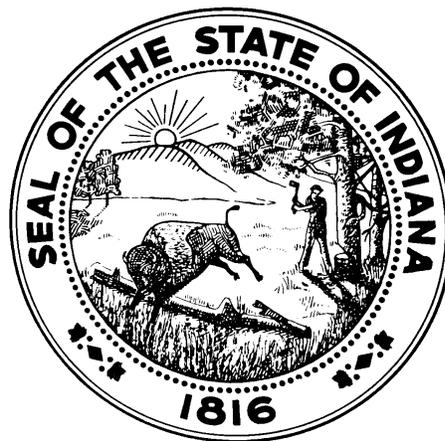


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
JOHNSON COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**

05/19/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-4
Report Communicating Internal Control Related Matters Identified in an Audit .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash and Investment Basis.....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	9-10
Fiduciary Funds:	
Statement of Additions, Deductions and Changes in Cash and Investment Balances - Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-24
Required Supplementary Information:	
Schedule of Funding Progress .....	25
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Other Governmental Funds.....	26-36
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances - Private-Purpose Trust Funds .....	37-38
Schedule of Long-Term Debt .....	39
Audit Results and Comments:	
Disbursement Documentation .....	40
Official Bond .....	40
Capital Asset Records .....	40
Fees .....	40
Deposits.....	41
Receipt Issuance .....	41
Nonuse of Ticket Sales Form SA-4 .....	41-42
Exit Conference.....	43

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra J. West	07-01-05 to 06-30-08
Superintendent of Schools	John M. Reed	07-01-04 to 06-30-08
President of the School Board	Ed Harvey Larry Kinser Paul Joseph Wells	01-01-05 to 12-31-06 01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nineveh-Hensley-Jackson United School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Long-Term Debt is presented for additional analysis and is not required parts of the basic financial statements. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 21, 2008



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

REPORT COMMUNICATING INTERNAL CONTROL  
RELATED MATTERS IDENTIFIED IN AN AUDIT

TO: THE OFFICIALS OF THE NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

In planning and performing our audit of the financial statements of the Nineveh-Hensley-Jackson United School Corporation (School Corporation) as of and for the years ended June 30, 2006 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, 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 internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT COMMUNICATING INTERNAL CONTROL  
RELATED MATTERS IDENTIFIED IN AN AUDIT  
(Continued)

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated February 21, 2008.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 21, 2008

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
 For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 5,170,061	\$ -	\$ 44,957	\$ (5,125,104)
Support services	7,791,580	660,880	125,430	(7,005,270)
Community services	96,345	-	-	(96,345)
Nonprogrammed charges	347,952	-	-	(347,952)
Debt service	4,156,418	-	-	(4,156,418)
	<u>\$ 17,562,356</u>	<u>\$ 660,880</u>	<u>\$ 170,387</u>	<u>(16,731,089)</u>
General receipts:				
Property taxes				7,483,938
Other local sources				1,593,231
State aid				6,045,475
Bonds and loans				1,817,168
Grants and contributions not restricted to specific programs				247,368
Sale of property, adjustments, and refunds				110,554
Investment earnings				84,212
Total general receipts				17,381,946
Change in net assets				650,857
Net assets - beginning				4,359,094
Net assets - ending				\$ 5,009,951
<u>Assets</u>				
Cash and investments				\$ 3,677,059
Restricted assets:				
Cash and investments				1,332,892
Total assets				\$ 5,009,951
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,332,892
Unrestricted				3,677,059
Total net assets				\$ 5,009,951

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

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
 For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 5,216,585	\$ -	\$ 41,708	\$ (5,174,877)
Support services	7,839,768	619,149	129,492	(7,091,127)
Community services	105,281	-	-	(105,281)
Nonprogrammed charges	582,574	-	-	(582,574)
Debt service	<u>4,416,027</u>	<u>-</u>	<u>-</u>	<u>(4,416,027)</u>
Total governmental activities	<u>\$ 18,160,235</u>	<u>\$ 619,149</u>	<u>\$ 171,200</u>	<u>(17,369,886)</u>
General receipts:				
Property taxes				4,077,329
Other local sources				1,458,628
State aid				5,934,854
Bonds and loans				3,188,384
Grants and contributions not restricted to specific programs				237,396
Sale of property, adjustments, and refunds				88,889
Investment earnings				<u>107,331</u>
Total general receipts				<u>15,092,811</u>
Change in net assets				(2,277,075)
Net assets - beginning				<u>5,009,951</u>
Net assets - ending				<u>\$ 2,732,876</u>
<u>Assets</u>				
Cash and investments				\$ 2,524,134
Restricted assets:				
Cash and investments				<u>208,742</u>
Total assets				<u>\$ 2,732,876</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 208,741
Unrestricted				<u>2,524,135</u>
Total net assets				<u>\$ 2,732,876</u>

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

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 4,148,684	\$ 1,014,592	\$ 2,410,557	\$ 1,153,184	\$ 155,092	\$ 939,639	\$ 9,821,748
Intermediate sources	133	-	-	-	-	375	508
State sources	6,090,433	-	-	-	-	71,460	6,161,893
Federal sources	-	-	-	-	-	301,338	301,338
Bonds and loans	1,482,063	335,105	-	-	-	-	1,817,168
Sale of property, adjustments and refunds	29,431	34,042	-	225	46,000	860	110,558
<b>Total receipts</b>	<b>11,750,744</b>	<b>1,383,739</b>	<b>2,410,557</b>	<b>1,153,409</b>	<b>201,092</b>	<b>1,313,672</b>	<b>18,213,213</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	4,929,148	-	-	-	-	240,913	5,170,061
Support services	4,547,193	1,020,624	-	1,299,133	162,788	761,842	7,791,580
Community services	96,280	-	-	-	-	65	96,345
Nonprogrammed charges	311,202	-	-	-	-	36,750	347,952
Debt services	1,270,237	284,275	2,415,774	-	-	186,132	4,156,418
<b>Total disbursements</b>	<b>11,154,060</b>	<b>1,304,899</b>	<b>2,415,774</b>	<b>1,299,133</b>	<b>162,788</b>	<b>1,225,702</b>	<b>17,562,356</b>
Excess (deficiency) of receipts over disbursements	596,684	78,840	(5,217)	(145,724)	38,304	87,970	650,857
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	4,635	4,635
Transfers out	-	-	(4,635)	-	-	-	(4,635)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(4,635)</b>	<b>-</b>	<b>-</b>	<b>4,635</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	596,684	78,840	(9,852)	(145,724)	38,304	92,605	650,857
Cash and investments - beginning	1,014,553	425,566	1,287,570	685,321	107,512	838,572	4,359,094
Cash and investments - ending	<u>\$ 1,611,237</u>	<u>\$ 504,406</u>	<u>\$ 1,277,718</u>	<u>\$ 539,597</u>	<u>\$ 145,816</u>	<u>\$ 931,177</u>	<u>\$ 5,009,951</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,611,237	\$ 504,406	\$ -	\$ 539,597	\$ 145,816	\$ 876,003	\$ 3,677,059
Restricted assets:							
Cash and investments	-	-	1,277,718	-	-	55,174	1,332,892
<b>Total cash and investment assets - ending</b>	<u>\$ 1,611,237</u>	<u>\$ 504,406</u>	<u>\$ 1,277,718</u>	<u>\$ 539,597</u>	<u>\$ 145,816</u>	<u>\$ 931,177</u>	<u>\$ 5,009,951</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,277,718	\$ -	\$ -	\$ 55,174	\$ 1,332,892
Unrestricted	1,611,237	504,406	-	539,597	145,816	876,003	3,677,059
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,611,237</u>	<u>\$ 504,406</u>	<u>\$ 1,277,718</u>	<u>\$ 539,597</u>	<u>\$ 145,816</u>	<u>\$ 931,177</u>	<u>\$ 5,009,951</u>

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

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 2,509,200	\$ 569,296	\$ 1,421,008	\$ 769,543	\$ 153,720	\$ 838,616	\$ 6,261,383
Intermediate sources	133	-	-	-	-	919	1,052
State sources	5,976,522	-	-	-	-	51,093	6,027,615
Federal sources	-	-	-	-	-	315,834	315,834
Bonds and loans	2,037,473	493,287	-	657,624	-	-	3,188,384
Sale of property, adjustments and refunds	54,871	26,646	-	5,845	-	1,530	88,892
<b>Total receipts</b>	<u>10,578,199</u>	<u>1,089,229</u>	<u>1,421,008</u>	<u>1,433,012</u>	<u>153,720</u>	<u>1,207,992</u>	<u>15,883,160</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	4,970,620	-	-	-	-	245,965	5,216,585
Support services	4,625,828	1,099,713	-	1,103,297	269,145	741,785	7,839,768
Community services	105,281	-	-	-	-	-	105,281
Nonprogrammed charges	273,480	-	-	-	-	309,094	582,574
Debt services	1,370,475	353,270	2,489,225	-	-	203,057	4,416,027
<b>Total disbursements</b>	<u>11,345,684</u>	<u>1,452,983</u>	<u>2,489,225</u>	<u>1,103,297</u>	<u>269,145</u>	<u>1,499,901</u>	<u>18,160,235</u>
Excess (deficiency) of receipts over disbursements	<u>(767,485)</u>	<u>(363,754)</u>	<u>(1,068,217)</u>	<u>329,715</u>	<u>(115,425)</u>	<u>(291,909)</u>	<u>(2,277,075)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	4,635	4,635
Transfers out	-	-	(4,635)	-	-	-	(4,635)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(4,635)</u>	<u>-</u>	<u>-</u>	<u>4,635</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(767,485)</u>	<u>(363,754)</u>	<u>(1,072,852)</u>	<u>329,715</u>	<u>(115,425)</u>	<u>(287,274)</u>	<u>(2,277,075)</u>
Cash and investments - beginning	<u>1,611,237</u>	<u>504,406</u>	<u>1,277,718</u>	<u>539,597</u>	<u>145,816</u>	<u>931,177</u>	<u>5,009,951</u>
Cash and investments - ending	<u>\$ 843,752</u>	<u>\$ 140,652</u>	<u>\$ 204,866</u>	<u>\$ 869,312</u>	<u>\$ 30,391</u>	<u>\$ 643,903</u>	<u>\$ 2,732,876</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 843,752	\$ 140,652	\$ -	\$ 869,312	\$ 30,391	\$ 640,027	\$ 2,524,134
Restricted assets:							
Cash and investments	-	-	204,866	-	-	3,876	208,742
<b>Total cash and investment assets - ending</b>	<u>\$ 843,752</u>	<u>\$ 140,652</u>	<u>\$ 204,866</u>	<u>\$ 869,312</u>	<u>\$ 30,391</u>	<u>\$ 643,903</u>	<u>\$ 2,732,876</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 204,866	\$ -	\$ -	\$ 3,876	\$ 208,742
Unrestricted	<u>843,752</u>	<u>140,652</u>	<u>-</u>	<u>869,312</u>	<u>30,391</u>	<u>640,027</u>	<u>2,524,134</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 843,752</u>	<u>\$ 140,652</u>	<u>\$ 204,866</u>	<u>\$ 869,312</u>	<u>\$ 30,391</u>	<u>\$ 643,903</u>	<u>\$ 2,732,876</u>

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

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ (103)	\$ 760	
Deductions:			
Benefits	1,891	-	
Administrative and general	<u>-</u>	<u>500</u>	
Total deductions	<u>1,891</u>	<u>500</u>	
Excess (deficiency) of total additions over total deductions	(1,994)	260	
Cash and investment fund balance - beginning	<u>65,046</u>	<u>113,285</u>	
Cash and investment fund balance - ending	<u>\$ 63,052</u>	<u>\$ 113,545</u>	
Net assets:			
Cash and investments	<u>\$ 63,052</u>	<u>\$ 113,545</u>	<u>\$ 47,878</u>
Total net assets - cash and investment basis held in trust	<u>\$ 63,052</u>	<u>\$ 113,545</u>	<u>\$ 47,878</u>

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

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 56,813	
Investment earnings:			
Interest	-	185	
Total additions	<u>-</u>	<u>56,998</u>	
Deductions:			
Benefits	16,893	-	
Administrative and general	<u>-</u>	<u>37,986</u>	
Total deductions	<u>16,893</u>	<u>37,986</u>	
Excess (deficiency) of total additions over total deductions	(16,893)	19,012	
Cash and investment fund balance - beginning	<u>63,052</u>	<u>113,545</u>	
Cash and investment fund balance - ending	<u>\$ 46,159</u>	<u>\$ 132,557</u>	
Net assets:			
Cash and investments	<u>\$ 46,159</u>	<u>\$ 132,557</u>	<u>\$ 46,114</u>
Total net assets - cash and investment basis held in trust	<u>\$ 46,159</u>	<u>\$ 132,557</u>	<u>\$ 46,114</u>

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

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Nineveh-Hensley-Jackson United School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Beech Grove City Schools, Center Grove Community School Corporation, Clark-Pleasant Community School Corporation, Metropolitan School District of Franklin Township, Franklin Community School Corporation, Greenwood Community School Corporation, and Metropolitan School District of Perry Township in a joint venture to operate Central Nine Career Center which was created to provide vocational educational services. Central Nine Career Center's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Central Nine Career Center can be obtained from Central Nine Career Center, P.O. Box 710, Greenwood, Indiana, 46142.

The School Corporation is a participant with Center Grove Community School Corporation, Clark-Pleasant Community School Corporation, Franklin Community School Corporation, Greenwood Community School Corporation and Edinburgh Community School Corporation in a joint venture to operate Special Services-Johnson County Schools which was created to provide a comprehensive program of special education for handicapped children in Johnson County. Special Services-Johnson County Schools' continued existence depends on continued funding by the School Corporations. Complete financial statements for the Special Services-Johnson County Schools can be obtained from Special Services-Johnson County Schools, 500 Earlywood Drive, Franklin, Indiana, 46131.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. However, at this time, the School Corporation has not established any enterprise funds.

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 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.

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

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

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 funds account for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school corporation's students.

Agency funds account for assets held by the School Corporation as an agent for federal and state government and for employees. This serves as a control account for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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. Receipts are recorded when received and disbursements are recorded when paid.

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

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.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in 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.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 10 to 15 days per year based on classification. Unused sick leave may be accumulated to a maximum of 140 days. Accumulated sick leave is paid to employees through cash payments upon retirement.

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Unused personal leave converts into sick leave if not used in the year ended.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2006	2007
Drug Free Schools	\$ 6,460	\$ -
History Grant	-	754

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2007, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Stocks	\$ <u>133,471</u>

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments. At June 30, 2007, the School Corporation held investments in Stocks in the amount of \$133,471.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
Debt Service Fund	Other governmental funds	\$ 4,635	\$ 4,635

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Restatements and Reclassifications

For the year ended June 30, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2005</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2005</u>
Other governmental funds	\$ 946,767	\$ (108,195)	\$ 838,572
Private-Purpose Funds	5,090	108,195	113,285

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits To Employees

During 1998, the School Corporation joined with other governmental entities to form the South Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 12 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for its medical benefit to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$200,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$200,000 limit.

B. Holding Corporations

The School Corporation has entered into various capital leases with the Nineveh-Hensley-Jackson Intermediate School Building Corporation. 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. Lease payments for 2005-2006 and 2006-2007 totaled \$1,132,500 and \$1,312,500, respectively.

V. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

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 the 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

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

savings account. The annuity savings account consists of member's 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. The 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 plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 132,912
Interest on net pension obligation	(15,142)
Adjustment to annual required contribution	17,256
Annual pension cost	135,026
Contributions made	118,237
Increase in net pension obligation	16,789
Net pension obligation, beginning of year	(208,862)
Net pension obligation, end of year	\$ (192,073)

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

	PERF
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 94,266	140%	\$ (199,958)
	06-30-05	114,387	108%	(208,862)
	06-30-06	135,026	88%	(192,073)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' 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

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's 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:

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

Funding Policy and Annual Pension Costs

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$178,435, \$181,376 and \$189,048, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

NINEVEH-HENSLEY-JACKSON  
 UNITED 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 1,222,266	\$ 1,610,436	\$ (388,170)	76%	\$ 1,572,087	(25%)
07-01-05	1,321,917	1,813,050	(491,133)	73%	1,750,651	(28%)
07-01-06	1,481,187	1,978,542	(497,355)	75%	1,724,484	(29%)

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	Rainy Day Fund	School Lunch	Textbook Rental	Educational License Plate	Wes Vaught Memorial Band Scholarship
<b>Receipts:</b>						
Local sources	\$ 10,515	\$ -	\$ 467,950	\$ 210,212	\$ -	\$ -
Intermediate sources	-	-	-	-	375	-
State sources	29,149	-	9,950	19,639	-	-
Federal sources	-	-	95,841	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>39,664</u>	<u>-</u>	<u>573,741</u>	<u>229,851</u>	<u>375</u>	<u>-</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	-	-	502,503	203,259	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	35,750	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>35,750</u>	<u>-</u>	<u>502,503</u>	<u>203,259</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,914</u>	<u>-</u>	<u>71,238</u>	<u>26,592</u>	<u>375</u>	<u>-</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	4,635	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,914	-	71,238	31,227	375	-
Cash and investments - beginning	<u>30,658</u>	<u>500,000</u>	<u>72,611</u>	<u>92,354</u>	<u>5,231</u>	<u>50</u>
Cash and investments - ending	<u>\$ 34,572</u>	<u>\$ 500,000</u>	<u>\$ 143,849</u>	<u>\$ 123,581</u>	<u>\$ 5,606</u>	<u>\$ 50</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 34,572	\$ 500,000	\$ 143,849	\$ 123,581	\$ 5,606	\$ 50
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 34,572</u>	<u>\$ 500,000</u>	<u>\$ 143,849</u>	<u>\$ 123,581</u>	<u>\$ 5,606</u>	<u>\$ 50</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>34,572</u>	<u>500,000</u>	<u>143,849</u>	<u>123,581</u>	<u>5,606</u>	<u>50</u>
Total cash and investment fund balance - ending	<u>\$ 34,572</u>	<u>\$ 500,000</u>	<u>\$ 143,849</u>	<u>\$ 123,581</u>	<u>\$ 5,606</u>	<u>\$ 50</u>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	McNeely Gifts Interest	NASA and Life Sciences Grant	FFA Gift	Indiana Next	LSTA Grant	Parental Involvement
<b>Receipts:</b>						
Local sources	\$ 4,160	\$ -	\$ -	\$ 1,500	\$ 3,842	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	860	-	-	-	-
<b>Total receipts</b>	<b>4,160</b>	<b>860</b>	<b>-</b>	<b>1,500</b>	<b>3,842</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,489	24,024	-	-	-	-
Support services	-	-	-	4,404	3,950	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,000	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,489</b>	<b>24,024</b>	<b>1,000</b>	<b>4,404</b>	<b>3,950</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	671	(23,164)	(1,000)	(2,904)	(108)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	671	(23,164)	(1,000)	(2,904)	(108)	-
Cash and investments - beginning	91	41,670	5,000	4,854	236	11
Cash and investments - ending	<u>762</u>	<u>18,506</u>	<u>4,000</u>	<u>1,950</u>	<u>128</u>	<u>11</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 762	\$ 18,506	\$ 4,000	\$ 1,950	\$ 128	\$ 11
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>762</u>	<u>18,506</u>	<u>4,000</u>	<u>1,950</u>	<u>128</u>	<u>11</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>762</u>	<u>18,506</u>	<u>4,000</u>	<u>1,950</u>	<u>128</u>	<u>11</u>
Total cash and investment fund balance - ending	<u>762</u>	<u>18,506</u>	<u>4,000</u>	<u>1,950</u>	<u>128</u>	<u>11</u>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Step Ahead	Drug Free Community Grant	School Technology Grant	Buddy System Grant Program	Environmental Scientists Grant
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	12,722	-	-
Federal sources	-	10,020	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>10,020</u>	<u>12,722</u>	<u>-</u>	<u>-</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	5,840	-	-	-
Support services	-	-	13,951	43	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>5,840</u>	<u>13,951</u>	<u>43</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>4,180</u>	<u>(1,229)</u>	<u>(43)</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,180	(1,229)	(43)	-
Cash and investments - beginning	550	1,353	4,060	86	1,500
Cash and investments - ending	<u>\$ 550</u>	<u>\$ 5,533</u>	<u>\$ 2,831</u>	<u>\$ 43</u>	<u>\$ 1,500</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 550	\$ 5,533	\$ 2,831	\$ 43	\$ 1,500
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 550</u>	<u>\$ 5,533</u>	<u>\$ 2,831</u>	<u>\$ 43</u>	<u>\$ 1,500</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	550	5,533	2,831	43	1,500
<b>Total cash and investment fund balance - ending</b>	<u>\$ 550</u>	<u>\$ 5,533</u>	<u>\$ 2,831</u>	<u>\$ 43</u>	<u>\$ 1,500</u>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Frog-Quest ICMS Teams	Title I	Title VI	Title V	Drug Free
<b>Receipts:</b>					
Local sources	\$ -	\$ 510	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	137,777	-	4,817	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>138,287</b>	<b>-</b>	<b>4,817</b>	<b>-</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	45	151,189	-	-	6,460
Support services	-	22,627	5,660	-	-
Community services	-	65	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>45</b>	<b>173,881</b>	<b>5,660</b>	<b>-</b>	<b>6,460</b>
Excess (deficiency) of receipts over disbursements	(45)	(35,594)	(5,660)	4,817	(6,460)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(45)	(35,594)	(5,660)	4,817	(6,460)
Cash and investments - beginning	45	58,357	5,936	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 22,763</u>	<u>\$ 276</u>	<u>\$ 4,817</u>	<u>\$ (6,460)</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ 22,763	\$ 276	\$ 4,817	\$ (6,460)
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ 22,763</u></b>	<b><u>\$ 276</u></b>	<b><u>\$ 4,817</u></b>	<b><u>\$ (6,460)</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	22,763	276	4,817	(6,460)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ 22,763</u></b>	<b><u>\$ 276</u></b>	<b><u>\$ 4,817</u></b>	<b><u>\$ (6,460)</u></b>

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
OTHER GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006  
(Continued)

	Science Math Award	Title II	Title II Education Through Technology	Retirement Severance Debt	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 240,950	\$ 939,639
Intermediate sources	-	-	-	-	375
State sources	-	-	-	-	71,460
Federal sources	-	49,866	3,017	-	301,338
Sale of property, adjustments and refunds	-	-	-	-	860
<b>Total receipts</b>	<b>-</b>	<b>49,866</b>	<b>3,017</b>	<b>240,950</b>	<b>1,313,672</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	49,866	-	-	240,913
Support services	2,149	-	3,296	-	761,842
Community services	-	-	-	-	65
Nonprogrammed charges	-	-	-	-	36,750
Debt services	-	-	-	186,132	186,132
<b>Total disbursements</b>	<b>2,149</b>	<b>49,866</b>	<b>3,296</b>	<b>186,132</b>	<b>1,225,702</b>
Excess (deficiency) of receipts over disbursements	(2,149)	-	(279)	54,818	87,970
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	4,635
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,149)	-	(279)	54,818	92,605
Cash and investments - beginning	11,258	-	2,305	356	838,572
Cash and investments - ending	<u>\$ 9,109</u>	<u>\$ -</u>	<u>\$ 2,026</u>	<u>\$ 55,174</u>	<u>\$ 931,177</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 9,109	\$ -	\$ 2,026	\$ -	\$ 876,003
Restricted assets:					
Cash and investments	-	-	-	55,174	55,174
<b>Total cash and investment assets - ending</b>	<b><u>\$ 9,109</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,026</u></b>	<b><u>\$ 55,174</u></b>	<b><u>\$ 931,177</u></b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 55,174	\$ 55,174
Unrestricted	9,109	-	2,026	-	876,003
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 9,109</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,026</u></b>	<b><u>\$ 55,174</u></b>	<b><u>\$ 931,177</u></b>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Special Education Preschool	Rainy Day Fund	School Lunch	Textbook Rental	Educational License Plate	Wes Vaught Memorial Band Scholarship
<b>Receipts:</b>						
Local sources	\$ 5,950	\$ -	\$ 471,382	\$ 182,136	\$ -	\$ -
Intermediate sources	-	-	-	-	919	-
State sources	23,616	-	9,546	16,698	-	-
Federal sources	-	-	103,248	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>29,566</b>	<b>-</b>	<b>584,176</b>	<b>198,834</b>	<b>919</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	1,450	-
Support services	-	-	578,748	151,066	-	-
Nonprogrammed charges	38,500	270,594	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>38,500</b>	<b>270,594</b>	<b>578,748</b>	<b>151,066</b>	<b>1,450</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(8,934)	(270,594)	5,428	47,768	(531)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	4,635	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,934)	(270,594)	5,428	52,403	(531)	-
Cash and investments - beginning	34,572	500,000	143,849	123,581	5,606	50
Cash and investments - ending	<u>\$ 25,638</u>	<u>\$ 229,406</u>	<u>\$ 149,277</u>	<u>\$ 175,984</u>	<u>\$ 5,075</u>	<u>\$ 50</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 25,638	\$ 229,406	\$ 149,277	\$ 175,984	\$ 5,075	\$ 50
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 25,638</u></b>	<b><u>\$ 229,406</u></b>	<b><u>\$ 149,277</u></b>	<b><u>\$ 175,984</u></b>	<b><u>\$ 5,075</u></b>	<b><u>\$ 50</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	25,638	229,406	149,277	175,984	5,075	50
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 25,638</u></b>	<b><u>\$ 229,406</u></b>	<b><u>\$ 149,277</u></b>	<b><u>\$ 175,984</u></b>	<b><u>\$ 5,075</u></b>	<b><u>\$ 50</u></b>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	McNeely Gifts Interest	NASA and Life Sciences Grant	FFA Gift	Indiana Next	LSTA Grant	History Grant
<b>Receipts:</b>						
Local sources	\$ 4,990	\$ 20,000	\$ -	\$ -	\$ 100	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>4,990</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,449	22,652	-	-	-	-
Support services	-	-	-	-	228	754
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,449</b>	<b>22,652</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>754</b>
Excess (deficiency) of receipts over disbursements	1,541	(2,652)	-	-	(128)	(754)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,541	(2,652)	-	-	(128)	(754)
Cash and investments - beginning	762	18,506	4,000	1,950	128	-
Cash and investments - ending	<u>\$ 2,303</u>	<u>\$ 15,854</u>	<u>\$ 4,000</u>	<u>\$ 1,950</u>	<u>\$ -</u>	<u>\$ (754)</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 2,303	\$ 15,854	\$ 4,000	\$ 1,950	\$ -	\$ (754)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 2,303</u></b>	<b><u>\$ 15,854</u></b>	<b><u>\$ 4,000</u></b>	<b><u>\$ 1,950</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (754)</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,303	15,854	4,000	1,950	-	(754)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 2,303</u></b>	<b><u>\$ 15,854</u></b>	<b><u>\$ 4,000</u></b>	<b><u>\$ 1,950</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (754)</u></b>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Ball State Math Grant	Parental Involvement	Step Ahead	Drug Free Community Grant	Non-English Speaking Assistants
<b>Receipts:</b>					
Local sources	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	39
Federal sources	-	-	-	7,880	-
Sale of property, adjustments and refunds	-	-	-	1,530	-
<b>Total receipts</b>	<b>2,300</b>	<b>-</b>	<b>-</b>	<b>9,410</b>	<b>39</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	2,245	11	-	8,765	39
Support services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>2,245</b>	<b>11</b>	<b>-</b>	<b>8,765</b>	<b>39</b>
Excess (deficiency) of receipts over disbursements	55	(11)	-	645	-
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	55	(11)	-	645	-
Cash and investments - beginning	-	11	550	5,533	-
Cash and investments - ending	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ 6,178</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 55	\$ -	\$ 550	\$ 6,178	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 55</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 550</u></b>	<b><u>\$ 6,178</u></b>	<b><u>\$ -</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	55	-	550	6,178	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 55</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 550</u></b>	<b><u>\$ 6,178</u></b>	<b><u>\$ -</u></b>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	School Technology Grant	Buddy System Grant Program	Enviromental Scientists Grant	Media Specialist Leadership	Frog-Quest ICMS Teams
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	1,194	-	-	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>1,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	-
Support services	4,025	43	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>4,025</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(2,831)	(43)	-	-	-
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,831)	(43)	-	-	-
Cash and investments - beginning	2,831	43	1,500	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ -	\$ 1,500	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,500</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	1,500	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,500</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title I	Title VI	Title V	2003-2004 Title V	Drug Free
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	140,530	-	-	2,364	11,292
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>140,530</u>	<u>-</u>	<u>-</u>	<u>2,364</u>	<u>11,292</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	152,218	-	-	-	4,832
Support services	-	-	4,275	2,146	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>152,218</u>	<u>-</u>	<u>4,275</u>	<u>2,146</u>	<u>4,832</u>
Excess (deficiency) of receipts over disbursements	<u>(11,688)</u>	<u>-</u>	<u>(4,275)</u>	<u>218</u>	<u>6,460</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,688)</u>	<u>-</u>	<u>(4,275)</u>	<u>218</u>	<u>6,460</u>
Cash and investments - beginning	<u>22,763</u>	<u>276</u>	<u>4,817</u>	<u>-</u>	<u>(6,460)</u>
Cash and investments - ending	<u>\$ 11,075</u>	<u>\$ 276</u>	<u>\$ 542</u>	<u>\$ 218</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 11,075	\$ 276	\$ 542	\$ 218	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 11,075</u>	<u>\$ 276</u>	<u>\$ 542</u>	<u>\$ 218</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>11,075</u>	<u>276</u>	<u>542</u>	<u>218</u>	<u>-</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 11,075</u>	<u>\$ 276</u>	<u>\$ 542</u>	<u>\$ 218</u>	<u>\$ -</u>

NINEVEH-HENSLEY-JACKSON  
 UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Science Math Award	Title II	Title II Education Through Technology	Retirement Severance Debt	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 151,758	\$ 838,616
Intermediate sources	-	-	-	-	919
State sources	-	-	-	-	51,093
Federal sources	-	48,213	2,307	-	315,834
Sale of property, adjustments and refunds	-	-	-	-	1,530
<b>Total receipts</b>	<b>-</b>	<b>48,213</b>	<b>2,307</b>	<b>151,758</b>	<b>1,207,992</b>
Disbursements:					
Current:					
Instruction	-	48,213	2,091	-	245,965
Support services	-	-	500	-	741,785
Nonprogrammed charges	-	-	-	-	309,094
Debt services	-	-	-	203,057	203,057
<b>Total disbursements</b>	<b>-</b>	<b>48,213</b>	<b>2,591</b>	<b>203,057</b>	<b>1,499,901</b>
Excess (deficiency) of receipts over disbursements	-	-	(284)	(51,299)	(291,909)
Other financing sources (uses):					
Transfers in	-	-	-	-	4,635
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(284)	(51,299)	(287,274)
Cash and investments - beginning	9,109	-	2,026	55,174	931,177
Cash and investments - ending	<u>\$ 9,109</u>	<u>\$ -</u>	<u>\$ 1,742</u>	<u>\$ 3,875</u>	<u>\$ 643,903</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 9,109	\$ -	\$ 1,742	\$ -	\$ 640,028
Restricted assets:					
Cash and investments	-	-	-	3,875	3,875
<b>Total cash and investment assets - ending</b>	<u>\$ 9,109</u>	<u>\$ -</u>	<u>\$ 1,742</u>	<u>\$ 3,875</u>	<u>\$ 643,903</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 3,875	\$ 3,875
Unrestricted	9,109	-	1,742	-	640,028
<b>Total cash and investment fund balance - ending</b>	<u>\$ 9,109</u>	<u>\$ -</u>	<u>\$ 1,742</u>	<u>\$ 3,875</u>	<u>\$ 643,903</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2006

	Bryan Pitcher Gift	Greer Family Gift	McNeely Gift	McNeely Gift	McNeely Gift	McNeely Gift	Johnson County Community Foundation	Totals
Additions:								
Contributions:								
Other	\$ 114	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 760
Total additions	114	146	-	-	-	-	500	760
Deductions:								
Administrative and general	-	-	-	-	-	-	500	500
Excess of total additions over total deductions	114	146	-	-	-	-	-	260
Cash and investment fund balance - beginning	6,438	5,195	8,000	21,500	26,092	46,060	-	113,285
Cash and investments - June 30	<u>\$ 6,552</u>	<u>\$ 5,341</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 46,060</u>	<u>\$ -</u>	<u>\$ 113,545</u>
Net assets:								
Cash and investments	\$ 6,552	\$ 5,341	\$ 8,000	\$ 21,500	\$ 26,092	\$ 46,060	\$ -	\$ 113,545
Total net assets - cash and investment basis held in trust	<u>\$ 6,552</u>	<u>\$ 5,341</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 46,060</u>	<u>\$ -</u>	<u>\$ 113,545</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2007

	Bryan Pitcher Gift	Greer Family Gift	McNeely Gift	McNeely Gift	McNeely Gift	McNeely Gift	Cape Donation	Totals
Additions:								
Contributions:								
Other	\$ 180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,633	\$ 56,813
Investment earnings:								
Interest	-	185	-	-	-	-	-	185
Total additions	180	185	-	-	-	-	56,633	56,998
Deductions:								
Administrative and general	-	-	-	-	-	-	37,986	37,986
Excess of total additions over total deductions	180	185	-	-	-	-	18,647	19,012
Cash and investment fund balance - beginning	6,552	5,341	8,000	21,500	26,092	46,060	-	113,545
Cash and investments - June 30	<u>\$ 6,732</u>	<u>\$ 5,526</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 46,060</u>	<u>\$ 18,647</u>	<u>\$ 132,557</u>
Net assets:								
Cash and investments	\$ 6,732	\$ 5,526	\$ 8,000	\$ 21,500	\$ 26,092	\$ 46,060	\$ 18,647	\$ 132,557
Total net assets - cash and investment basis held in trust	<u>\$ 6,732</u>	<u>\$ 5,526</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 46,060</u>	<u>\$ 18,647</u>	<u>\$ 132,557</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
ICIS, ICMS, ICHS Renovations	\$ 2,315,000	\$ 541,700
Indian Creek High School Renovations	2,380,000	258,977
Indian Creek Middle School Renovations and and High School Improvements	15,090,000	1,602,234
Energy Savings Contract	54,570	56,098
Notes and loans payable	487,500	98,437
Tax anticipation warrants	3,104,600	3,104,600
Bonds payable:		
General obligation bonds:		
Retirement/Severance Bond	<u>1,755,000</u>	<u>198,969</u>
Total governmental activities debt	<u>\$ 25,186,670</u>	<u>\$ 5,861,015</u>

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Some of the disbursements did not have supporting signatures that verified the goods or services were received.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OFFICIAL BOND

Current official bonds were not on file in the Office of the County Recorder for the Extra-Curricular Treasurer for the high school, middle school, intermediate school and elementary school or other employees in a cash collection position.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369. A similar comment appeared in prior Reports B18358, B22720 and B27384.

The School Corporation has compiled a listing of equipment for each school but has no record of land, buildings, and improvements.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FEES (High School)

Textbook rental fees during the 2006-2007 school year decreased. The cause of the decrease is that when figuring the amount to charge, the yearly charge for the book itself was left off the total fee for the class. This resulted in a decrease of approximately \$24,000 in the amount of receipts in textbook rental for the 2006-2007 school year.

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)

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

DEPOSITS (Elementary, Intermediate, and Middle School)

Receipts in numerous instances were not deposited timely.

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

RECEIPT ISSUANCE (Intermediate School)

The classification of the receipt did not correspond to the classification of the cash and checks deposited into the bank.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

NONUSE OF TICKET SALES FORM SA-4- (Middle School)

The fees charged for admission to athletic events were not approved by the School Board.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the pre-numbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Fees should only be collected as specifically authorized statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions.

NINEVEH-HENSLEY-JACKSON  
UNITED SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2008, with John M. Reed, Superintendent of Schools; Sandra J. West, Treasurer; Rene Jarboe, District Data Resource Coordinator; Marcia L. Lewis, Deputy Treasurer; Carol Schaaf, High School Extra-Curricular Treasurer; Linda Hyndman, Intermediate Extra-Curricular Treasurer; Sara Weddle, High School Secretary; Brenda Sears, Elementary Extra-Curricular Treasurer; Keith Grant, Elementary Principal; Jen Earlywine, Middle School Extra-Curricular Treasurer; Connie Richhart, Middle School Principal and Andy Cline, High School Principal. The officials concurred with our audit findings.