

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

AUDIT REPORT
OF
SEYMOUR COMMUNITY SCHOOLS
JACKSON COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
06/12/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	John A. Perkins	07-01-05 to 10-25-06
	Vacant	10-26-06 to 11-13-06
	John Britton	11-14-06 to 01-31-07
	Nancy R. Lumley	02-01-07 to 06-30-08
Superintendent of Schools	Dr. Robert E. Schmielau	07-01-05 to 06-30-08
President of the School Board	Roy S. Stuckwisch	07-01-05 to 06-30-06
	Martha McIntire	07-01-06 to 06-30-08



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE SEYMOUR COMMUNITY SCHOOLS, JACKSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seymour Community Schools (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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 pre-scribed 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.

In accordance with Government Auditing Standards, we have also issued a report dated May 16, 2008, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(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 Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have 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 them.

STATE BOARD OF ACCOUNTS

May 16, 2008



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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE SEYMOUR COMMUNITY SCHOOLS, JACKSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seymour Community Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated May 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A 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 results 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section 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 over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

May 16, 2008

SEYMOUR COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 13,507,037	\$ -	\$ 133,628	\$ (13,373,409)
Support services	15,775,589	1,244,403	622,472	(13,908,714)
Community services	315,758	-	-	(315,758)
Nonprogrammed charges	4,560,802	-	-	(4,560,802)
Debt service	<u>6,651,784</u>	<u>-</u>	<u>-</u>	<u>(6,651,784)</u>
Total governmental activities	<u>\$ 40,810,970</u>	<u>\$ 1,244,403</u>	<u>\$ 756,100</u>	<u>(38,810,467)</u>
General receipts:				
Property taxes				22,182,755
Other local sources				3,626,588
State aid				11,327,248
Bonds and loans				2,500,000
Grants and contributions not restricted to specific programs				1,444,709
Sale of property, adjustments, and refunds				167,576
Investment earnings				<u>389,643</u>
Total general receipts				<u>41,638,519</u>
Change in net assets				2,828,052
Net assets - beginning				<u>10,214,285</u>
Net assets - ending				<u>\$ 13,042,337</u>
<u>Assets</u>				
Cash and investments				\$ 10,258,242
Restricted assets:				
Cash and investments				<u>2,784,095</u>
Total assets				<u>\$ 13,042,337</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2
Other purposes				2,784,093
Unrestricted				<u>10,258,242</u>
Total net assets				<u>\$ 13,042,337</u>

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

SEYMOUR COMMUNITY SCHOOLS
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>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 14,022,309	\$ -	\$ 132,294	\$ (13,890,015)
Support services	13,885,139	1,312,083	655,513	(11,917,543)
Community services	276,568	-	-	(276,568)
Nonprogrammed charges	4,426,797	-	-	(4,426,797)
Debt service	6,732,237	-	-	(6,732,237)
	<u>\$ 39,343,050</u>	<u>\$ 1,312,083</u>	<u>\$ 787,807</u>	<u>(37,243,160)</u>
General receipts:				
Property taxes				12,149,000
Other local sources				3,283,842
State aid				12,334,017
Bonds and loans				4,500,000
Grants and contributions not restricted to specific programs				1,767,047
Sale of property, adjustments, and refunds				76,038
Investment earnings				<u>550,946</u>
Total general receipts				<u>34,660,890</u>
Change in net assets				(2,582,270)
Net assets - beginning				<u>13,042,337</u>
Net assets - ending				<u>\$ 10,460,067</u>
<u>Assets</u>				
Cash and investments				\$ 8,449,685
Restricted assets:				
Cash and investments				<u>2,010,382</u>
Total assets				<u>\$ 10,460,067</u>
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 2,010,382
Unrestricted				<u>8,449,685</u>
Total net assets				<u>\$ 10,460,067</u>

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

SEYMOUR COMMUNITY SCHOOLS
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
Receipts:							
Local sources	\$ 13,598,036	\$ 1,320,163	\$ 4,759,292	\$ 4,978,043	\$ 305,249	\$ 1,791,919	\$ 26,752,702
Intermediate sources	687	-	-	-	-	1,950	2,637
State sources	11,443,336	-	-	-	-	191,539	11,634,875
Federal sources	2,271	-	-	-	-	1,893,184	1,895,455
Bonds and loans	1,907,399	460,297	101,100	-	-	31,204	2,500,000
Sale of property, adjustments and refunds	36,808	7,231	-	11,295	-	64,525	119,859
Total receipts	26,988,537	1,787,691	4,860,392	4,989,338	305,249	3,974,321	42,905,528
Disbursements:							
Current:							
Instruction	12,297,400	-	-	-	-	1,209,637	13,507,037
Support services	7,814,360	979,728	-	4,205,129	525,722	2,250,650	15,775,589
Community services	301,761	-	-	-	-	13,997	315,758
Nonprogrammed charges	166,752	-	-	-	-	78,015	244,767
Debt services	2,500,000	-	3,829,566	-	-	322,218	6,651,784
Total disbursements	23,080,273	979,728	3,829,566	4,205,129	525,722	3,874,517	36,494,935
Excess (deficiency) of receipts over disbursements	3,908,264	807,963	1,030,826	784,209	(220,473)	99,804	6,410,593
Other financing sources (uses):							
Transfers in	24,975	87,007	-	-	-	42,604	154,586
Transfers out	(2,873,600)	(254,552)	(53,407)	(28,968)	-	(227,319)	(3,437,846)
Total other financing uses	(2,848,625)	(167,545)	(53,407)	(28,968)	-	(184,715)	(3,283,260)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,059,639	640,418	977,419	755,241	(220,473)	(84,911)	3,127,333
Cash and investments - beginning	(45,368)	(659,347)	(977,418)	7,385,701	318,145	1,109,198	7,130,911
Cash and investments - ending	\$ 1,014,271	\$ (18,929)	\$ 1	\$ 8,140,942	\$ 97,672	\$ 1,024,287	10,258,244
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							2,784,093
Net assets of governmental activities							\$ 13,042,337
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,014,271	\$ (18,929)	\$ -	\$ 8,140,942	\$ 97,672	\$ 1,024,286	\$ 10,258,242
Restricted assets:							
Cash and investments	-	-	1	-	-	1	2
Total cash and investment assets - ending	\$ 1,014,271	\$ (18,929)	\$ 1	\$ 8,140,942	\$ 97,672	\$ 1,024,287	\$ 10,258,244
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 1	\$ 2
Unrestricted	1,014,271	(18,929)	-	8,140,942	97,672	1,024,286	10,258,242
Total cash and investment fund balance - ending	\$ 1,014,271	\$ (18,929)	\$ 1	\$ 8,140,942	\$ 97,672	\$ 1,024,287	\$ 10,258,244

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

SEYMOUR COMMUNITY SCHOOLS
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
Receipts:							
Local sources	\$ 8,530,620	\$ 922,070	\$ 3,215,078	\$ 2,088,463	\$ 201,437	\$ 1,607,502	\$ 16,565,170
Intermediate sources	914	-	-	-	-	2,288	3,202
State sources	12,445,664	10,000	-	-	-	192,239	12,647,903
Federal sources	-	-	-	-	-	2,240,968	2,240,968
Bonds and loans	4,500,000	-	-	-	-	-	4,500,000
Sale of property, adjustments and refunds	13,400	-	-	6	-	62,141	75,547
Total receipts	25,490,598	932,070	3,215,078	2,088,469	201,437	4,105,138	36,032,790
Disbursements:							
Current:							
Instruction	12,611,135	-	-	-	-	1,411,174	14,022,309
Support services	7,897,065	904,245	-	2,711,380	54,637	2,317,812	13,885,139
Community services	267,225	-	-	-	-	9,343	276,568
Nonprogrammed charges	298,396	-	-	-	-	115,419	413,815
Debt services	1,907,398	460,297	4,015,619	-	-	348,923	6,732,237
Total disbursements	22,981,219	1,364,542	4,015,619	2,711,380	54,637	4,202,671	35,330,068
Excess (deficiency) of receipts over disbursements	2,509,379	(432,472)	(800,541)	(622,911)	146,800	(97,533)	702,722
Other financing sources (uses):							
Transfers in	185,927	199,764	-	-	-	215,655	601,346
Transfers out	(2,537,557)	(160,787)	(28,972)	(23,868)	-	(361,443)	(3,112,627)
Total other financing sources (uses)	(2,351,630)	38,977	(28,972)	(23,868)	-	(145,788)	(2,511,281)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	157,749	(393,495)	(829,513)	(646,779)	146,800	(243,321)	(1,808,559)
Cash and investments - beginning	1,014,271	(18,929)	1	8,140,942	97,672	1,024,287	10,258,244
Cash and investments - ending	\$ 1,172,020	\$ (412,424)	\$ (829,512)	\$ 7,494,163	\$ 244,472	\$ 780,966	8,449,685
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							2,010,382
Net assets of governmental activities							\$ 10,460,067
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,172,020	\$ (412,424)	\$ (829,512)	\$ 7,494,163	\$ 244,472	\$ 780,966	\$ 8,449,685
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 1,172,020	\$ (412,424)	\$ (829,512)	\$ 7,494,163	\$ 244,472	\$ 780,966	\$ 8,449,685

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

SEYMOUR COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 685,777
Miscellaneous	<u>47,717</u>
Total operating receipts	<u>733,494</u>
Operating disbursements:	
Insurance claims and expense	<u>4,316,035</u>
Deficiency of operating receipts over operating disbursements	(3,582,541)
Transfers in	<u>3,283,260</u>
Change in net assets	(299,281)
Cash and investment fund balance - beginning	<u>3,083,374</u>
Cash and investment fund balance - ending	<u><u>\$ 2,784,093</u></u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 2,784,093</u></u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 2,784,093</u></u>

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

SEYMOUR COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 727,499
Miscellaneous	<u>491</u>
Total operating receipts	<u>727,990</u>
Operating disbursements:	
Insurance claims and expense	<u>4,012,982</u>
Deficiency of operating receipts over operating disbursements	(3,284,992)
Transfers in	<u>2,511,281</u>
Change in net assets	(773,711)
Cash and investment fund balance - beginning	<u>2,784,093</u>
Cash and investment fund balance - ending	<u><u>\$ 2,010,382</u></u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 2,010,382</u></u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 2,010,382</u></u>

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

SEYMOUR COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 40,000
Investment earnings:	
Interest	774
Total additions	40,774
Deductions:	
Administrative and general	51,004
Deficiency of total additions over total deductions	(10,230)
Cash and investment fund balance - beginning	103,034
Cash and investment fund balance - ending	\$ 92,804
Net assets:	
Cash and investments	\$ 92,804
Total net assets - cash and investment basis held in trust	\$ 92,804

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

SEYMOUR COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 43,464
Investment earnings:	
Interest	1,761
Total additions	45,225
Deductions:	
Administrative and general	46,614
Deficiency of total additions over total deductions	(1,389)
Cash and investment fund balance - beginning	92,804
Cash and investment fund balance - ending	\$ 91,415
Net assets:	
Cash and investments	\$ 91,415
Total net assets - cash and investment basis held in trust	\$ 91,415

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

SEYMOUR COMMUNITY SCHOOLS
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: Seymour Community Schools

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

Joint Ventures

The School Corporation participates in the Bartholomew County Special Services Cooperative (Co-op), a joint school services program established to provide instruction for handicapped children. The Co-op's governing board consists of the Superintendent from each participating school corporation. Funding is provided by a federal grant and each school corporation within the county based on total operating costs (less federal funding) divided by the Average Daily Membership (ADM). Financial information of the Co-op is part of the General Fund of the Bartholomew Consolidated School Corporation.

The School Corporation participates in the C4 Columbus Career Connection Cooperative (Co-op), a joint school services program established to provide instruction for occupational training. The Co-op's administrative advisory committee consists of a member selected by each participating school corporation. The Co-op's administrative control is under the authority of the Board of School Trustees of the Bartholomew County Consolidated School Corporation, Columbus, Indiana. Funding is provided by each participating school corporation based on the total operating costs divided by the number of students attending. Financial information of the Co-op is part of the General Fund of the Bartholomew County Consolidated School Corporation.

The School Corporation participates in the William E. Wilson Education Service Center (Co-op), a joint school services program established to provide program and services which they collectively may implement. The Co-op's governing board consists of a member selected by each participating school corporation. Funding is provided by each participating school corporation based on a per student charge assessed on the ADM certified to the Department of Education. Financial information for the Co-op can be obtained from the audit report of the William E. Wilson Service Center at 2101 Grace Avenue, Charlestown, IN 47111.

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display 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.

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 internal service fund accounts for self-insurance claims which are handled by a third party administrator.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit individuals as scholarships.

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Compensated Absences

a. Sick Leave

Certified personnel earn sick leave at the rate of 10 days per school year. Noncertified personnel earn sick leave at the rate of 5 to 10 days per school year depending on their job classification. Unused sick leave may be accumulated to a maximum of 150 days for certified and 100 days for noncertified personnel. Accumulated sick leave is paid to eligible employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 15 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

Certified personnel earn personal leave at the rate of 2 days per year. Unused personal leave may be accumulated to a maximum of 5 days with any remaining days being transferred to sick leave. Noncertified personnel earn personal leave at the rate of 1 or 2 days per school year depending on their job classification. Unused personal leave is transferred to sick leave.

2. 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.

3. 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.

4. 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."

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 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 reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

2. 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 Cash Activities.

SEYMOUR COMMUNITY SCHOOLS
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 or highway use taxes are received 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
Title I School Improvement	\$ 5,684	\$ -
Special Ed IDEA - B #520	135,824	-
Special Ed EHA Part B #522	-	122,511
Special Ed IDEA - B #540	10,985	-
Vocational/Lead-the-Way	915	-
4 Block	519	-
Title II part A 2003-2004	108,930	-
Title III	-	1,758
Credit Card Receipts	-	40
Retirement/Severance Bond Debt Service	-	102,782
Debt Service	-	829,512
Transportation Operating	18,929	412,424

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.

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. 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 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.

B. Interfund Transfers

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

Transfer From	Transfer To	2006	2007
General Fund	Internal Service Fund	\$ 2,873,600	\$ 2,368,235
	Transportation Operating Fund	-	169,322
Debt Service Fund	Transportation Operating Fund	53,407	28,972
Transportation Operating Fund	Internal Service Fund	254,552	160,787
Capital Projects Fund	Internal Service Fund	28,968	23,868
Other governmental funds	General Fund	24,974	16,605
	Transportation Operating Fund	33,600	1,470
	Other governmental funds	42,604	215,655
	Internal Service Fund	126,141	127,713
Totals		<u>\$ 3,437,846</u>	<u>\$ 3,112,627</u>

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

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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.

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$150,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into a capital lease with Seymour Community Elementary School and Community High School Building Corporation of Seymour (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the audit period totaled \$7,656,500.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, 32 retirees meet these eligibility requirements. The School Corporation provides benefits equal to the cost of the single rate or family rate plan at the time of retirement. The retiree is responsible for any additional costs associated with this benefit. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$135,540 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit 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 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 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.

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 253,570
Interest on net pension obligation	(9,157)
Adjustment to annual required contribution	10,435
Annual pension cost	254,848
Contributions made	210,090
Increase in net pension obligation	44,758
Net pension obligation, beginning of year	(126,308)
Net pension obligation, end of year	\$ (81,550)
Contribution rates:	
School Corporation	6%
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

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
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	\$ 171,950	104%	\$ (145,858)
	06-30-05	220,836	91%	(126,308)
	06-30-06	254,848	82%	(81,550)

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 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

SEYMOUR COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$522,425, \$476,754, and \$430,178, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

SEYMOUR COMMUNITY SCHOOLS
 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 Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 3,129,654	\$ 3,780,867	\$ (651,213)	83%	\$ 3,278,603	(20%)
07-01-05	3,290,052	4,187,228	(897,176)	79%	3,372,793	(27%)
07-01-06	3,351,411	4,087,544	(736,133)	82%	3,348,192	(22%)

SEYMOUR COMMUNITY SCHOOLS
 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	School Lunch Fund	Textbook Rental	Education License Plates	Alternative Education Grant	School Safe Haven	98-99 Early Intervention
Receipts:							
Local sources	\$ 47,915	\$ 867,447	\$ 380,387	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	1,950	-	-	-
State sources	144,877	-	-	-	25,425	-	-
Federal sources	24,563	641,546	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	12,669	-	35	-	-	-
Total receipts	217,355	1,521,662	380,387	1,985	25,425	-	-
Disbursements:							
Current:							
Instruction	211,252	-	-	-	14,089	10,584	-
Support services	30,913	1,319,733	565,442	-	16,289	379	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	4,482	-	-	-
Total disbursements	242,165	1,319,733	565,442	4,482	30,378	10,963	-
Excess (deficiency) of receipts over disbursements	(24,810)	201,929	(185,055)	(2,497)	(4,953)	(10,963)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(85,685)	-	-	-	-	-	-
Total other financing uses	(85,685)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(110,495)	201,929	(185,055)	(2,497)	(4,953)	(10,963)	-
Cash and investments - beginning	423,341	66,891	189,461	12,562	4,953	27,097	3,500
Cash and investments - ending	\$ 312,846	\$ 268,820	\$ 4,406	\$ 10,065	\$ -	\$ 16,134	\$ 3,500
Cash and Investment Assets - Ending							
Cash and investments	\$ 312,846	\$ 268,820	\$ 4,406	\$ 10,065	\$ -	\$ 16,134	\$ 3,500
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 312,846	\$ 268,820	\$ 4,406	\$ 10,065	\$ -	\$ 16,134	\$ 3,500
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	312,846	268,820	4,406	10,065	-	16,134	3,500
Total cash and investment fund balance - ending	\$ 312,846	\$ 268,820	\$ 4,406	\$ 10,065	\$ -	\$ 16,134	\$ 3,500

SEYMOUR COMMUNITY SCHOOLS
 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)

	Community Foundation "Art Smart"	Educational Opportunities	Gifted and Talented	Tech Prep 2000 #1000-3765	Medicaid Reimbursement Fund/Federal	Non-English Speaking Program	Technology Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	17,359	-	-	3,878	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	17,359	-	-	3,878	-
Disbursements:							
Current:							
Instruction	-	-	12,637	-	-	-	18,675
Support services	-	-	2,369	-	-	-	24,902
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	15,006	-	-	-	43,577
Excess (deficiency) of receipts over disbursements	-	-	2,353	-	-	3,878	(43,577)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	2,353	-	-	3,878	(43,577)
Cash and investments - beginning	72	2,621	21	6,693	146,242	-	49,267
Cash and investments - ending	<u>\$ 72</u>	<u>\$ 2,621</u>	<u>\$ 2,374</u>	<u>\$ 6,693</u>	<u>\$ 146,242</u>	<u>\$ 3,878</u>	<u>\$ 5,690</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 72	\$ 2,621	\$ 2,374	\$ 6,693	\$ 146,242	\$ 3,878	\$ 5,690
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 72	\$ 2,621	\$ 2,374	\$ 6,693	\$ 146,242	\$ 3,878	\$ 5,690
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	72	2,621	2,374	6,693	146,242	3,878	5,690
Total cash and investment fund balance - ending	\$ 72	\$ 2,621	\$ 2,374	\$ 6,693	\$ 146,242	\$ 3,878	\$ 5,690

SEYMOUR COMMUNITY SCHOOLS
 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)

	School Farm	Capital Expenses	Title I FY 04	Title I FY 05	Title I FY 06	Migrant Education	Title I School Improvement
Receipts:							
Local sources	\$ 2,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	63,927	472,227	33,366	8,000
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	41,403	-	-	-	-	-	-
Total receipts	43,896	-	-	63,927	472,227	33,366	8,000
Disbursements:							
Current:							
Instruction	18,277	-	-	12,279	209,111	33,366	7,817
Support services	200	42	-	26,729	76,319	-	5,867
Community services	-	-	-	1,780	11,475	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	18,477	42	-	40,788	296,905	33,366	13,684
Excess (deficiency) of receipts over disbursements	25,419	(42)	-	23,139	175,322	-	(5,684)
Other financing sources (uses):							
Transfers in	-	-	42,604	-	-	-	-
Transfers out	-	-	(42,604)	(15,254)	(45,762)	-	-
Total other financing uses	-	-	-	(15,254)	(45,762)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,419	(42)	-	7,885	129,560	-	(5,684)
Cash and investments - beginning	72,147	1,807	42,604	91,065	-	-	-
Cash and investments - ending	\$ 97,566	\$ 1,765	\$ 42,604	\$ 98,950	\$ 129,560	\$ -	\$ (5,684)
Cash and Investment Assets - Ending							
Cash and investments	\$ 97,566	\$ 1,765	\$ 42,604	\$ 98,950	\$ 129,560	\$ -	\$ (5,684)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 97,566	\$ 1,765	\$ 42,604	\$ 98,950	\$ 129,560	\$ -	\$ (5,684)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	97,566	1,765	42,604	98,950	129,560	-	(5,684)
Total cash and investment fund balance - ending	\$ 97,566	\$ 1,765	\$ 42,604	\$ 98,950	\$ 129,560	\$ -	\$ (5,684)

SEYMOUR COMMUNITY SCHOOLS
 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)

	Title IV Improving Schools	Title V	Special Ed IDEA - B #520	Special Ed IDEA - B #540	Title IV Pt A/ Drug Free School	Science & Math FY 98
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	20,000	462,133	24,563	18,666	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	176	-	-	-	-
Total receipts	-	20,176	462,133	24,563	18,666	-
Disbursements:						
Current:						
Instruction	140	15,463	407,108	29,178	14,584	4,841
Support services	11	18,666	125,034	6,370	4,456	40
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	65,815	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	151	34,129	597,957	35,548	19,040	4,881
Excess (deficiency) of receipts over disbursements	(151)	(13,953)	(135,824)	(10,985)	(374)	(4,881)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(151)	(13,953)	(135,824)	(10,985)	(374)	(4,881)
Cash and investments - beginning	10,606	23,942	-	-	11,971	5,942
Cash and investments - ending	\$ 10,455	\$ 9,989	\$ (135,824)	\$ (10,985)	\$ 11,597	\$ 1,061
Cash and Investment Assets - Ending						
Cash and investments	\$ 10,455	\$ 9,989	\$ (135,824)	\$ (10,985)	\$ 11,597	\$ 1,061
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,455	\$ 9,989	\$ (135,824)	\$ (10,985)	\$ 11,597	\$ 1,061
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,455	9,989	(135,824)	(10,985)	11,597	1,061
Total cash and investment fund balance - ending	\$ 10,455	\$ 9,989	\$ (135,824)	\$ (10,985)	\$ 11,597	\$ 1,061

SEYMOUR COMMUNITY SCHOOLS
 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)

	Vocational/ Lead-the-way	4 Block	Title II Part A 2003-2004	Title II Part D Tech Grant	Title III	Insurance Reimbursement
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	80,000	12,167	32,026	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	10,242
Total receipts	-	-	80,000	12,167	32,026	10,242
Disbursements:						
Current:						
Instruction	1,915	-	103,816	6,186	32,067	-
Support services	-	-	18,879	3,076	4,244	690
Community services	-	-	-	-	742	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,915	-	122,695	9,262	37,053	690
Excess (deficiency) of receipts over disbursements	(1,915)	-	(42,695)	2,905	(5,027)	9,552
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(38,014)	-	-	-
Total other financing uses	-	-	(38,014)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,915)	-	(80,709)	2,905	(5,027)	9,552
Cash and investments - beginning	1,000	(519)	(28,221)	11,811	19,798	4,095
Cash and investments - ending	<u>\$ (915)</u>	<u>\$ (519)</u>	<u>\$ (108,930)</u>	<u>\$ 14,716</u>	<u>\$ 14,771</u>	<u>\$ 13,647</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (915)	\$ (519)	\$ (108,930)	\$ 14,716	\$ 14,771	\$ 13,647
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (915)</u>	<u>\$ (519)</u>	<u>\$ (108,930)</u>	<u>\$ 14,716</u>	<u>\$ 14,771</u>	<u>\$ 13,647</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(915)	(519)	(108,930)	14,716	14,771	13,647
Total cash and investment fund balance - ending	<u>\$ (915)</u>	<u>\$ (519)</u>	<u>\$ (108,930)</u>	<u>\$ 14,716</u>	<u>\$ 14,771</u>	<u>\$ 13,647</u>

SEYMOUR COMMUNITY SCHOOLS
 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)

	Kelso Monies	Credit Card Receipts	Other Car Club Special Ed	Retirement/ Severance Bond Debt Service	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ 12,649	\$ 46,252	\$ 434,776	\$ -	\$ 1,791,919
Intermediate sources	-	-	-	-	-	1,950
State sources	-	-	-	-	-	191,539
Federal sources	-	-	-	-	-	1,893,184
Bonds and loans	-	-	-	31,204	-	31,204
Sale of property, adjustments and refunds	-	-	-	-	-	64,525
Total receipts	-	12,649	46,252	465,980	-	3,974,321
Disbursements:						
Current:						
Instruction	-	-	46,252	-	-	1,209,637
Support services	-	-	-	-	-	2,250,650
Community services	-	-	-	-	-	13,997
Nonprogrammed charges	-	12,200	-	-	-	78,015
Debt services	-	-	-	317,736	-	322,218
Total disbursements	-	12,200	46,252	317,736	-	3,874,517
Excess (deficiency) of receipts over disbursements	-	449	-	148,244	-	99,804
Other financing sources (uses):						
Transfers in	-	-	-	-	-	42,604
Transfers out	-	-	-	-	-	(227,319)
Total other financing uses	-	-	-	-	-	(184,715)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	449	-	148,244	-	(84,911)
Cash and investments - beginning	849	60	-	(148,243)	55,763	1,109,198
Cash and investments - ending	<u>\$ 849</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 55,763</u>	<u>\$ 1,024,287</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 849	\$ 509	\$ -	\$ -	\$ 55,763	\$ 1,024,286
Restricted assets:						
Cash and investments	-	-	-	1	-	1
Total cash and investment assets - ending	<u>\$ 849</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 55,763</u>	<u>\$ 1,024,287</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 1
Unrestricted	849	509	-	-	55,763	1,024,286
Total cash and investment fund balance - ending	<u>\$ 849</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 55,763</u>	<u>\$ 1,024,287</u>

SEYMOUR COMMUNITY SCHOOLS
 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	School Lunch Fund	Textbook Rental	Education License Plates	Alternative Education Grant	School Safe Haven	98-99 Early Intervention
Receipts:							
Local sources	\$ 27,670	\$ 869,715	\$ 452,851	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	2,288	-	-	-
State sources	122,577	-	-	-	16,554	7,832	3,500
Federal sources	(24,563)	674,340	-	-	-	-	-
Sale of property, adjustments and refunds	-	13,531	-	-	-	-	-
Total receipts	125,684	1,557,586	452,851	2,288	16,554	7,832	3,500
Disbursements:							
Current:							
Instruction	226,667	-	-	-	-	3,197	-
Support services	29,144	1,479,790	404,620	-	-	106	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	100,000	-	-	-	-	-
Debt services	-	-	-	4,090	-	-	-
Total disbursements	255,811	1,579,790	404,620	4,090	-	3,303	-
Excess (deficiency) of receipts over disbursements	(130,127)	(22,204)	48,231	(1,802)	16,554	4,529	3,500
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(39,970)	-	-	-	-	-	-
Total other financing sources (uses)	(39,970)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(170,097)	(22,204)	48,231	(1,802)	16,554	4,529	3,500
Cash and investments - beginning	312,846	268,820	4,406	10,065	-	16,134	3,500
Cash and investments - ending	<u>\$ 142,749</u>	<u>\$ 246,616</u>	<u>\$ 52,637</u>	<u>\$ 8,263</u>	<u>\$ 16,554</u>	<u>\$ 20,663</u>	<u>\$ 7,000</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 142,749</u>	<u>\$ 246,616</u>	<u>\$ 52,637</u>	<u>\$ 8,263</u>	<u>\$ 16,554</u>	<u>\$ 20,663</u>	<u>\$ 7,000</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 142,749</u>	<u>\$ 246,616</u>	<u>\$ 52,637</u>	<u>\$ 8,263</u>	<u>\$ 16,554</u>	<u>\$ 20,663</u>	<u>\$ 7,000</u>

SEYMOUR COMMUNITY SCHOOLS
 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)

	Community Foundation "Art Smart"	Educational Opportunities	Gifted and Talented 2005-2006	Gifted and Talented 2006-2007	Tech Prep 2000 #1000-3765	Medicaid Reimbursement Fund/Federal	Non-English Speaking Program
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	17,359	-	-	4,417
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	1,000	-	-	-	-	-
Total receipts	-	1,000	-	17,359	-	-	4,417
Disbursements:							
Current:							
Instruction	-	(396)	255	16,414	5,737	28,290	-
Support services	-	-	2,119	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	(396)	2,374	16,414	5,737	28,290	-
Excess (deficiency) of receipts over disbursements	-	1,396	(2,374)	945	(5,737)	(28,290)	4,417
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,396	(2,374)	945	(5,737)	(28,290)	4,417
Cash and investments - beginning	72	2,621	2,374	-	6,693	146,242	3,878
Cash and investments - ending	<u>\$ 72</u>	<u>\$ 4,017</u>	<u>\$ -</u>	<u>\$ 945</u>	<u>\$ 956</u>	<u>\$ 117,952</u>	<u>\$ 8,295</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 72</u>	<u>\$ 4,017</u>	<u>\$ -</u>	<u>\$ 945</u>	<u>\$ 956</u>	<u>\$ 117,952</u>	<u>\$ 8,295</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 72</u>	<u>\$ 4,017</u>	<u>\$ -</u>	<u>\$ 945</u>	<u>\$ 956</u>	<u>\$ 117,952</u>	<u>\$ 8,295</u>

SEYMOUR COMMUNITY SCHOOLS
 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)

	Technology Fund	School Farm	Capital Expenses	Title I FY 07	Title I FY 04	Title I FY 05	Title I FY 06
Receipts:							
Local sources	\$ -	\$ 2,256	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	398,392	-	-	40,001
Sale of property, adjustments and refunds	-	46,208	-	-	-	-	-
Total receipts	-	48,464	-	398,392	-	-	40,001
Disbursements:							
Current:							
Instruction	4,864	65,566	-	258,399	-	-	160,848
Support services	826	200	272	91,232	-	-	47,008
Community services	-	-	23	201	-	-	8,819
Nonprogrammed charges	-	2,000	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	5,690	67,766	295	349,832	-	-	216,675
Excess (deficiency) of receipts over disbursements	(5,690)	(19,302)	(295)	48,560	-	-	(176,674)
Other financing sources (uses):							
Transfers in	-	-	-	67,899	-	-	141,554
Transfers out	-	-	(1,470)	(17,174)	(42,604)	(98,950)	(94,440)
Total other financing sources (uses)	-	-	(1,470)	50,725	(42,604)	(98,950)	47,114
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,690)	(19,302)	(1,765)	99,285	(42,604)	(98,950)	(129,560)
Cash and investments - beginning	5,690	97,566	1,765	-	42,604	98,950	129,560
Cash and investments - ending	\$ -	\$ 78,264	\$ -	\$ 99,285	\$ -	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 78,264	\$ -	\$ 99,285	\$ -	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ -	\$ 78,264	\$ -	\$ 99,285	\$ -	\$ -	\$ -

SEYMOUR COMMUNITY SCHOOLS
 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)

	Migrant Education	Title I School Improvement	Title IV Improving Schools	Title V	Special Ed IDEA - B #520	Special Ed EHA Part B #522	Special Ed IDEA - B #540
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	37,073	49,797	-	14,844	231,067	455,652	12,281
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	37,073	49,797	-	14,844	231,067	455,652	12,281
Disbursements:							
Current:							
Instruction	37,073	31,870	-	8,707	47,106	420,967	-
Support services	-	1,814	-	13,368	48,137	110,184	1,296
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	37,073	33,684	-	22,075	95,243	531,151	1,296
Excess (deficiency) of receipts over disbursements	-	16,113	-	(7,231)	135,824	(75,499)	10,985
Other financing sources (uses):							
Transfers in	-	5,683	-	-	-	-	-
Transfers out	-	-	-	-	-	(47,012)	-
Total other financing sources (uses)	-	5,683	-	-	-	(47,012)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	21,796	-	(7,231)	135,824	(122,511)	10,985
Cash and investments - beginning	-	(5,684)	10,455	9,989	(135,824)	-	(10,985)
Cash and investments - ending	\$ -	\$ 16,112	\$ 10,455	\$ 2,758	\$ -	\$ (122,511)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 16,112	\$ 10,455	\$ 2,758	\$ -	\$ (122,511)	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 16,112	\$ 10,455	\$ 2,758	\$ -	\$ (122,511)	\$ -

SEYMOUR COMMUNITY SCHOOLS
 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)

	06/07 IDEA Grant/ Preschool	Title IV Pt A Drug Free School	Science & Math FY 98	Vocational/ Lead-the-way	4 Block	Title II Part A 2003-2004	Title II Part D Tech Grant
Receipts:							
Local sources	\$ -	\$ -	\$ 90	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	20,000	-	-	-
Federal sources	31,459	21,378	-	-	-	185,273	9,544
Sale of property, adjustments and refunds	-	-	-	400	-	-	-
Total receipts	31,459	21,378	90	20,400	-	185,273	9,544
Disbursements:							
Current:							
Instruction	12,081	6,159	752	18,825	-	-	3,904
Support services	828	8,645	217	477	-	2,433	1,690
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	12,909	14,804	969	19,302	-	2,433	5,594
Excess (deficiency) of receipts over disbursements	18,550	6,574	(879)	1,098	-	182,840	3,950
Other financing sources (uses):							
Transfers in	-	-	-	-	519	-	-
Transfers out	(3,656)	-	-	-	-	(12,671)	-
Total other financing sources (uses)	(3,656)	-	-	-	519	(12,671)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,894	6,574	(879)	1,098	519	170,169	3,950
Cash and investments - beginning	-	11,597	1,061	(915)	(519)	(108,930)	14,716
Cash and investments - ending	\$ 14,894	\$ 18,171	\$ 182	\$ 183	\$ -	\$ 61,239	\$ 18,666
Cash and Investment Assets - Ending							
Cash and investments	\$ 14,894	\$ 18,171	\$ 182	\$ 183	\$ -	\$ 61,239	\$ 18,666
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 14,894	\$ 18,171	\$ 182	\$ 183	\$ -	\$ 61,239	\$ 18,666

SEYMOUR COMMUNITY SCHOOLS
 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 III	Insurance Reimbursement	Kelso Monies	Credit Card Receipts	Retirement/ Severance Bond Debt Service	Construction Fund	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 12,870	\$ 242,050	\$ -	\$ 1,607,502
Intermediate sources	-	-	-	-	-	-	2,288
State sources	-	-	-	-	-	-	192,239
Federal sources	104,430	-	-	-	-	-	2,240,968
Sale of property, adjustments and refunds	-	1,002	-	-	-	-	62,141
Total receipts	104,430	1,002	-	12,870	242,050	-	4,105,138
Disbursements:							
Current:							
Instruction	53,889	-	-	-	-	-	1,411,174
Support services	63,274	10,132	-	-	-	-	2,317,812
Community services	300	-	-	-	-	-	9,343
Nonprogrammed charges	-	-	-	13,419	-	-	115,419
Debt services	-	-	-	-	344,833	-	348,923
Total disbursements	117,463	10,132	-	13,419	344,833	-	4,202,671
Excess (deficiency) of receipts over disbursements	(13,033)	(9,130)	-	(549)	(102,783)	-	(97,533)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	215,655
Transfers out	(3,496)	-	-	-	-	-	(361,443)
Total other financing sources (uses)	(3,496)	-	-	-	-	-	(145,788)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,529)	(9,130)	-	(549)	(102,783)	-	(243,321)
Cash and investments - beginning	14,771	13,647	849	509	1	55,763	1,024,287
Cash and investments - ending	<u>\$ (1,758)</u>	<u>\$ 4,517</u>	<u>\$ 849</u>	<u>\$ (40)</u>	<u>\$ (102,782)</u>	<u>\$ 55,763</u>	<u>\$ 780,966</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (1,758)</u>	<u>\$ 4,517</u>	<u>\$ 849</u>	<u>\$ (40)</u>	<u>\$ (102,782)</u>	<u>\$ 55,763</u>	<u>\$ 780,966</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (1,758)</u>	<u>\$ 4,517</u>	<u>\$ 849</u>	<u>\$ (40)</u>	<u>\$ (102,782)</u>	<u>\$ 55,763</u>	<u>780,966</u>

SEYMOUR COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	MR Brown Fund	James Emily Scholarship	Nancy Stickles Memorial	A.K. Lincoln Fund	G.B. Burkhart Scholarship Fund	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
Investment earnings:						
Interest	774	-	-	-	-	774
Total additions	<u>774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,774</u>
Deductions:						
Administrative and general	1,504	-	-	500	49,000	51,004
Deficiency of total additions over total deductions	(730)	-	-	(500)	(9,000)	(10,230)
Cash and investment fund balance - beginning	<u>31,223</u>	<u>5,703</u>	<u>16</u>	<u>11,029</u>	<u>55,063</u>	<u>103,034</u>
Cash and Investments - ending	<u>\$ 30,493</u>	<u>\$ 5,703</u>	<u>\$ 16</u>	<u>\$ 10,529</u>	<u>\$ 46,063</u>	<u>\$ 92,804</u>
Net assets:						
Cash and investments	<u>\$ 30,493</u>	<u>\$ 5,703</u>	<u>\$ 16</u>	<u>\$ 10,529</u>	<u>\$ 46,063</u>	<u>\$ 92,804</u>
Total net assets - cash and investment basis held in trust	<u>\$ 30,493</u>	<u>\$ 5,703</u>	<u>\$ 16</u>	<u>\$ 10,529</u>	<u>\$ 46,063</u>	<u>\$ 92,804</u>

SEYMOUR COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Bryden Donation Fund	MR Brown Fund	James Emily Scholarship	Nancy Stickles Memorial	A.K. Lincoln Fund	G.B. Burkhart Scholarship Fund	Totals
Additions:							
Contributions:							
Other	\$ 1,714	\$ -	\$ -	\$ -	\$ -	\$ 41,750	\$ 43,464
Investment earnings:							
Interest	-	1,416	126	-	219	-	1,761
Total additions	<u>1,714</u>	<u>1,416</u>	<u>126</u>	<u>-</u>	<u>219</u>	<u>41,750</u>	<u>45,225</u>
Deductions:							
Administrative and general	-	614	500	-	1,500	44,000	46,614
Excess (deficiency) of total additions over total deductions	1,714	802	(374)	-	(1,281)	(2,250)	(1,389)
Cash and investment fund balance - beginning	-	30,493	5,703	16	10,529	46,063	92,804
Cash and Investments - ending	<u>\$ 1,714</u>	<u>\$ 31,295</u>	<u>\$ 5,329</u>	<u>\$ 16</u>	<u>\$ 9,248</u>	<u>\$ 43,813</u>	<u>\$ 91,415</u>
Net assets:							
Cash and investments	<u>\$ 1,714</u>	<u>\$ 31,295</u>	<u>\$ 5,329</u>	<u>\$ 16</u>	<u>\$ 9,248</u>	<u>\$ 43,813</u>	<u>\$ 91,415</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,714</u>	<u>\$ 31,295</u>	<u>\$ 5,329</u>	<u>\$ 16</u>	<u>\$ 9,248</u>	<u>\$ 43,813</u>	<u>\$ 91,415</u>

SEYMOUR COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 189,400
Buildings	57,316,173
Improvements other than buildings	6,954,481
Machinery and equipment	<u>4,702,828</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 69,162,882</u>

SEYMOUR COMMUNITY SCHOOLS
 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:		
Jackson and Redding Elementary Schools	\$ 22,620,000	\$ 2,035,000
High School	9,790,000	1,803,000
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds	<u>3,590,000</u>	<u>314,072</u>
Total governmental activities debt	<u>\$ 36,000,000</u>	<u>\$ 4,152,072</u>

SEYMOUR COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect during the audit period. The adjusted bank balances were \$17,553 more than the amounts presented on the funds ledger at June 30, 2007. Numerous posting errors were identified during the review of transactions for the months of May 2006 through June 2007. Officials are currently in the process of identifying and correcting the remaining errors.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEMPORARY LOANS BETWEEN FUNDS

The School Corporation made the following temporary loans during prior years which have not been repaid as of June 30, 2007:

Description of Loan	Date	Amount
General Fund loaned School Bus Replacement Fund	07-03-02	\$ 28,226.17
Capital Projects Fund loaned General Fund	04-30-04	1,022,616.73
Capital Projects Fund loaned General Fund	05-31-04	720,000.00
Capital Projects Fund loaned Transportation Operating Fund	05-31-04	81,680.00
Capital Projects Fund loaned Debt Service Fund	06-30-04	618,000.00
Capital Projects Fund loaned Debt Service Fund	06-30-04	226,500.00
 Total unpaid loans between funds		 <u>\$ 2,697,022.90</u>

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

SEYMOUR COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

OVERDRAWN FUND BALANCES

The Title I School Improvement Fund, Special Ed IDEA - B #520 Fund, Special Ed IDEA - B #540 Fund, Vocational/Lead-the-Way Fund, 4 Block Fund, Title II Part A 2003-2004 Fund, and Transportation Operating Fund were overdrawn in Fiscal Year 2006. The Special Ed EHA Part B #522 Fund, Title III Fund, Credit Card Receipts Fund, Retirement/Severance Bond Debt Service Fund, Debt Service Fund, and Transportation Operating Fund were overdrawn in Fiscal Year 2007.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INCORRECT REPORTING TO THE STATE - HONORS DIPLOMAS

The information presented for audit indicates that honors diploma figures reported to the Indiana Department of Education were incorrect for the school year ending June 30, 2006. The School Corporation reported 78 students from the 2004-2005 graduating class. Upon review of the supporting documentation, only 77 students were noted as receiving an honors diploma.

School Corporation Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE SEYMOUR COMMUNITY SCHOOLS, JACKSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Seymour Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items Finding 2007-1 and 2007-2.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2007-1 and 2007-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan section of the report. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

May 16, 2008

SEYMOUR COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553		\$ 130,786	\$ -
			-	143,345
Total for program			130,786	143,345
National School Lunch Program				
	10.555		511,694	-
			-	561,517
Total for program			511,694	561,517
Special Milk Program for Children				
	10.556		3,438	-
			-	3,424
Total for Program			3,438	3,424
Total for cluster			645,918	708,286
Total for federal grantor agency			645,918	708,286
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Bartholomew Special Services Cooperative				
Special Education Cluster (IDEA)				
Special Education - Grants to States				
	84.027		36,844	-
			-	31,459
Total for program			36,844	31,459
Total for cluster			36,844	31,459
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
	84.010		54,566	-
		05-3675	342,668	202,554
		06-3675	-	393,192
		07-3675	40,000	-
			13,683	-
Total for program			450,917	595,746
Safe and Drug Free Schools and Communities - State Grants				
	84.186		19,039	-
			-	14,804
Total for program			19,039	14,804

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

SEYMOUR COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Capital Expenses	84.216			
FY 2005-2006			42	-
FY 2006-2007			-	1,765
Total for program			<u>42</u>	<u>1,765</u>
Eisenhower Professional Development State Grants	84.281			
FY 2005-2006			4,881	-
FY 2006-2007			-	969
Total for program			<u>4,881</u>	<u>969</u>
State Grants for Innovative Programs	84.298			
FY 2005-2006			34,129	-
FY 2006-2007			-	22,074
Total for program			<u>34,129</u>	<u>22,074</u>
Education Technology State Grants	84.318			
FY 2005-2006			9,262	-
FY 2006-2007			-	5,594
Total for program			<u>9,262</u>	<u>5,594</u>
English Language Acquisition Grants	84.365			
FY 2004-2005			37,053	-
FY 2005-2006			-	68,744
Total for program			<u>37,053</u>	<u>68,744</u>
Improving Teacher Quality State Grants	84.367			
FY 2004-2005		04-151	80,000	-
FY 2005-2006			-	165,200
Total for program			<u>80,000</u>	<u>165,200</u>
Total for federal grantor agency			<u>672,167</u>	<u>906,355</u>
Total federal awards expended			<u>\$ 1,318,085</u>	<u>\$ 1,614,641</u>

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

SEYMOUR COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Seymour Community Schools (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 15,191	\$ 11,504
National School Lunch Program	10.555	58,069	44,246

SEYMOUR COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	School Lunch Cluster Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

SEYMOUR COMMUNITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-1, REPORTING

Federal Program: Title I Grants to Local Educational Agencies
 CFDA Number: 84.010
 Federal Award Numbers: 06-3675, 07-3675
 Pass-Through Entity: Indiana Department of Education

There were errors on the annual financial reports for fiscal years 2006 and 2007. The following table details the errors noted:

<u>Program Year</u>	<u>Reported Expenditures</u>	<u>Actual Expenditures</u>	<u>Difference</u>
06-3675	\$ <u>593,360</u>	\$ <u>545,222</u>	\$ (48,138)
Analysis of difference:			
Transfer to Title I FY 2007 included as 06-3675 expenditure			67,607
School Improvement Grant deposit corrected after 09-30-06			3,683
Expense charged against Title I for unallowable expenditures			292
Additional expenses corrected after 09-30-06 administrator salary reclassified			<u>(23,444)</u>
Net difference			<u>\$ -</u>
07-3675	\$ <u>559,773</u>	\$ <u>596,372</u>	\$ (36,599)
Analysis of difference:			
FY 07 expenses posted in the wrong fund and unreported			26,186
FY 07 expenses obligated prior to but expended after 09-30-07			14,880
FY 07 reported expenses reclassified to school improvement funds			(4,556)
Other unreported amounts			<u>89</u>
Net difference			<u>\$ -</u>

EDGAR 80.20 states in part:

"(b) The financial management systems of other grantees and sub-grantees must meet the following standards:

- (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

Failure to file reports accurately and timely prevents the Indiana Department of Education from monitoring the program in an effective and efficient manner and could cause the School Corporation to be deemed ineligible to receive federal funds in the future.

We recommended that the School Corporation design and properly monitor procedures to ensure that required reports are accurately and timely remitted.

SEYMOUR COMMUNITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

FINDING 2007-2, PERIOD OF AVAILABILITY

Federal Program: Title I Grants to Local Educational Agencies
 CFDA Number: 84.010
 Federal Award Numbers: 06-3675, 07-3675
 Pass-Through Entity: Indiana Department of Education

The School Corporation obtained approval for excess carryover into program year 06-3675. However, the School Corporation was unable to expend Title I funds during the program year 06-3675 to reduce the subsequent carryover to the acceptable level. The following table details the computation of excess carryover:

Program Year		
Expenses from October and November 2006 Fund #417	\$	135,395
Transactions not subject to carryover:		
Correction of misposting school improvement receipt		(3,683)
06-3675 correctly reported expenses		(5,683)
Correction of payroll posted to General Fund		(23,444)
Additional correction misposting school improvement receipt		(24)
Title I Program Audit receipted into wrong fund		(5,281)
Untransferred indirect cost from previous years to General Fund		<u>(2,874)</u>
Total funds not subject to carryover		<u>(40,989)</u>
Correct carryover		94,406
Approved carryover 07-3675		<u>49,433</u>
Additional carryover unreported		44,973
Computation of excess carryover:		
06-3675 Grant amount		501,239
Allowable carryover		<u>75,186</u>
Excess carryover	\$	<u><u>19,220</u></u>

EDGAR 80.23 Period of availability of funds states:

"(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

SEYMOUR COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

Since the School Corporation had already received the waiver of the percentage limitation the previous year, excess carryover in the subsequent year cannot be approved. Therefore, any excess carryover will need to be reimbursed to the SEA.

We recommended that the School Corporation design and properly monitor procedures to ensure that funds are utilized to the extent required to prevent excess carryover.

Seymour Community Schools

**Central Administration
1638 S. Walnut St.
Seymour, Indiana 47274
Phone: (812) 522-3340**

May 16, 2008

Mr Bill Brown
State Board of Accounts
302 Washington St., Room E418
Indianapolis, Indiana 46204-2765

RE Follow-up

Dear Mr Brown

Please consider the following to serve as our Follow-up to the Federal Findings from the 6/30/05 Audit (Cash Management).

Monitoring procedures implemented as a result of the 6/30/05 audit findings have proven to be successful for the purpose of Cash Management.

Seymour Community Schools is committed to providing quality programs for our students and appreciate the assistance of the State Board of Accounts in fine-tuning our administrative process.

Sincerely



Dr Robert Schmielau
Superintendent

Cc Lisa Ferguson
Nancy Lumley

Seymour Community Schools

Central Administration
1638 S. Walnut St.
Seymour, Indiana 47274
Phone: (812) 522-3340

May 16, 2008

Mr Bill Brown
State Board of Accounts
302 Washington St., Room E418
Indianapolis, Indiana 46204-2765

RE Audit Finding 2007-1, Reporting
Audit Finding 2007-2, Period of Availability

Dear Mr Brown

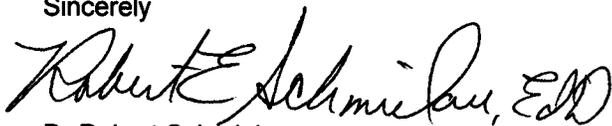
Regarding the above-referenced Audit Findings, please consider the following to serve as our Corrective Action Plan.

Finding 2007-1, Reporting: The school corporation has implemented procedures to better segregate revenue and expenses which will facilitate more accurate reporting and assist with timeliness.

Finding 2007-2, Period of Availability: The school corporation has implemented procedures to better segregate revenue and expenses which will facilitate closer monitoring, an integral part of program management.

Seymour Community Schools is committed to providing a quality Title 1 program for our students and appreciate the assistance of the State Board of Accounts in fine-tuning our administrative process.

Sincerely



Dr Robert Schmielau
Superintendent

Cc Lisa Ferguson
Nancy Lumley

SEYMOUR COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on May 16, 2008, with Nancy R. Lumley, Treasurer; Dr. Robert E. Schmielau, Superintendent of Schools; Martha McIntire, President of the School Board; and Lisa Ferguson, Director of Federal Programs. The officials concurred with our audit findings.