

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

EXAMINATION REPORT
OF
SHERIDAN COMMUNITY SCHOOLS
HAMILTON COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
04/15/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robin Popejoy	07-01-06 to 06-30-09
Superintendent of Schools	Dr. Scott Robinson Lynn Sheets (Interim) Dr. Derek Arrowood	07-01-06 to 07-02-06 07-10-06 to 07-31-06 08-01-06 to 06-30-09
President of the School Board	Mark Durr Gregory Willett	07-01-06 to 06-30-08 07-01-08 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of the Sheridan Community Schools (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 13, 2009

SHERIDAN 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 4,350,707	\$ -	\$ 43,880	\$ (4,306,827)
Support services	3,903,887	343,939	151,109	(3,408,839)
Community services	230,069	-	-	(230,069)
Nonprogrammed charges	483,544	-	-	(483,544)
Debt service	<u>1,296,118</u>	<u>-</u>	<u>-</u>	<u>(1,296,118)</u>
Total government activities	<u>\$ 10,264,325</u>	<u>\$ 343,939</u>	<u>\$ 194,989</u>	<u>(9,725,397)</u>
General receipts:				
Property taxes				2,168,521
Other local sources				460,523
State aid				4,529,835
Bonds and loans				1,932,864
Grants and contributions not restricted to specific programs				201,837
Sale of property, adjustments, and refunds				29,276
Investment earnings				<u>98,082</u>
Total general receipts				<u>9,420,938</u>
Change in net assets				(304,459)
Net assets - beginning				<u>2,739,962</u>
Net assets - ending				<u>\$ 2,435,503</u>
<u>Assets</u>				
Cash and investments				\$ 2,218,820
Restricted assets:				
Cash and investments				<u>216,683</u>
Total assets				<u>\$ 2,435,503</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 216,683
Unrestricted				<u>2,218,820</u>
Total net assets				<u>\$ 2,435,503</u>

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

SHERIDAN COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 4,433,637	\$ -	\$ 76,656	\$ (4,356,981)
Support services	5,158,504	362,646	202,390	(4,593,468)
Community services	270,108	-	-	(270,108)
Nonprogrammed charges	462,674	-	-	(462,674)
Debt service	<u>2,572,128</u>	<u>-</u>	<u>-</u>	<u>(2,572,128)</u>
Total government activities	<u>\$ 12,897,051</u>	<u>\$ 362,646</u>	<u>\$ 279,046</u>	<u>(12,255,359)</u>
General receipts:				
Property taxes				4,456,926
Other local sources				893,624
State aid				4,509,203
Bonds and loans				1,400,182
Grants and contributions not restricted to specific programs				214,773
Sale of property, adjustments, and refunds				615,653
Investment earnings				<u>68,593</u>
Total general receipts				<u>12,158,954</u>
Change in net assets				(96,405)
Net assets - beginning				<u>2,435,503</u>
Net assets - ending				<u>\$ 2,339,098</u>
 <u>Assets</u>				
Cash and investments				\$ 2,195,637
Restricted assets:				
Cash and investments				<u>143,461</u>
Total assets				<u>\$ 2,339,098</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 143,461
Unrestricted				<u>2,195,637</u>
Total net assets				<u>\$ 2,339,098</u>

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

SHERIDAN 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	\$ 1,411,011	\$ 330,415	\$ 304,268	\$ 463,099	\$ 125,778	\$ 434,675	\$ 3,069,246
Intermediate sources	243	-	-	-	-	1,575	1,818
State sources	4,561,318	-	-	-	-	92,468	4,653,786
Federal sources	-	-	-	-	-	272,875	272,875
Bonds and loans	1,899,993	-	-	-	-	32,871	1,932,864
Sale of property, adjustments and refunds	19,291	696	-	8,124	-	1,166	29,277
Total receipts	7,891,856	331,111	304,268	471,223	125,778	835,630	9,959,866
Disbursements:							
Current:							
Instruction	4,113,176	-	-	-	-	237,531	4,350,707
Support services	1,623,221	608,342	-	837,322	263,112	571,890	3,903,887
Community services	229,166	-	-	-	-	903	230,069
Nonprogrammed charges	482,974	-	-	-	-	570	483,544
Debt services	625,000	-	570,292	-	-	100,826	1,296,118
Total disbursements	7,073,537	608,342	570,292	837,322	263,112	911,720	10,264,325
Excess (deficiency) of receipts over disbursements	818,319	(277,231)	(266,024)	(366,099)	(137,334)	(76,090)	(304,459)
Other financing sources (uses):							
Transfers in	172,755	590,286	147,327	391,608	71,997	263,203	1,637,176
Transfers out	(1,050,000)	(322,282)	(10,000)	-	-	(254,894)	(1,637,176)
Total other financing sources (uses)	(877,245)	268,004	137,327	391,608	71,997	8,309	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(58,926)	(9,227)	(128,697)	25,509	(65,337)	(67,781)	(304,459)
Cash and investments - beginning	1,337,529	63,145	298,356	414,272	131,386	495,274	2,739,962
Cash and investments - ending	\$ 1,278,603	\$ 53,918	\$ 169,659	\$ 439,781	\$ 66,049	\$ 427,493	\$ 2,435,503
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,278,603	\$ 53,918	\$ -	\$ 439,781	\$ 66,049	\$ 380,469	\$ 2,218,820
Restricted assets:							
Cash and investments	-	-	169,659	-	-	47,024	216,683
Total cash and investment assets - ending	\$ 1,278,603	\$ 53,918	\$ 169,659	\$ 439,781	\$ 66,049	\$ 427,493	\$ 2,435,503
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 169,659	\$ -	\$ -	\$ 47,024	\$ 216,683
Unrestricted	1,278,603	53,918	-	439,781	66,049	380,469	2,218,820
Total cash and investment fund balance - ending	\$ 1,278,603	\$ 53,918	\$ 169,659	\$ 439,781	\$ 66,049	\$ 427,493	\$ 2,435,503

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

SHERIDAN 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, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 2,757,088	\$ 705,434	\$ 619,759	\$ 949,294	\$ 232,155	\$ 517,144	\$ 5,780,874
Intermediate sources	243	-	-	-	-	675	918
State sources	4,553,689	-	-	-	-	111,717	4,665,406
Federal sources	-	-	-	-	-	337,614	337,614
Bonds and loans	1,400,182	-	-	-	-	-	1,400,182
Sale of property, adjustments and refunds	412,405	2,732	-	17,717	-	182,798	615,652
Total receipts	9,123,607	708,166	619,759	967,011	232,155	1,149,948	12,800,646
Disbursements:							
Current:							
Instruction	4,251,796	-	-	-	-	181,841	4,433,637
Support services	2,601,806	650,684	-	879,062	271,339	755,613	5,158,504
Community services	269,692	-	-	-	-	416	270,108
Nonprogrammed charges	462,674	-	-	-	-	-	462,674
Debt services	1,900,000	-	570,998	-	-	101,130	2,572,128
Total disbursements	9,485,968	650,684	570,998	879,062	271,339	1,039,000	12,897,051
Excess (deficiency) of receipts over disbursements	(362,361)	57,482	48,761	87,949	(39,184)	110,948	(96,405)
Other financing sources (uses):							
Transfers in	934,687	297,471	-	405,000	110,000	67,415	1,814,573
Transfers out	(879,687)	(272,471)	(130,000)	(380,000)	(70,000)	(82,415)	(1,814,573)
Total other financing sources (uses)	55,000	25,000	(130,000)	25,000	40,000	(15,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(307,361)	82,482	(81,239)	112,949	816	95,948	(96,405)
Cash and investments - beginning	1,278,603	53,918	169,659	439,781	66,049	427,493	2,435,503
Cash and investments - ending	\$ 971,242	\$ 136,400	\$ 88,420	\$ 552,730	\$ 66,865	\$ 523,441	\$ 2,339,098
Cash and Investment Assets - Ending							
Cash and investments	\$ 971,242	\$ 136,400	\$ -	\$ 552,730	\$ 66,865	\$ 468,400	\$ 2,195,637
Restricted assets:							
Cash and investments	-	-	88,420	-	-	55,041	143,461
Total cash and investment assets - ending	\$ 971,242	\$ 136,400	\$ 88,420	\$ 552,730	\$ 66,865	\$ 523,441	\$ 2,339,098
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 88,420	\$ -	\$ -	\$ 55,041	\$ 143,461
Unrestricted	971,242	136,400	-	552,730	66,865	468,400	2,195,637
Total cash and investment fund balance - ending	\$ 971,242	\$ 136,400	\$ 88,420	\$ 552,730	\$ 66,865	\$ 523,441	\$ 2,339,098

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 61,429
Total additions	<u>-</u>	<u>61,429</u>
Deductions:		
Benefits	468,683	-
Administrative and general	<u>-</u>	<u>26,351</u>
Total deductions	<u>468,683</u>	<u>26,351</u>
Excess (deficiency) of total additions over total deductions	(468,683)	35,078
Cash and investment fund balance - beginning	<u>468,683</u>	<u>12,754</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 47,832</u>
Net assets:		
Cash and investments	<u>\$ -</u>	<u>\$ 47,832</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 47,832</u>

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

SHERIDAN COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	<u>72,818</u>
Total additions	<u>72,818</u>
Deductions:	
Administrative and general	<u>71,011</u>
Total deductions	<u>71,011</u>
Excess of total additions over total deductions	1,807
Cash and investment fund balance - beginning	<u>47,832</u>
Cash and investment fund balance - ending	<u>\$ 49,639</u>
Net assets:	
Cash and investments	<u>\$ 49,639</u>
Total net assets - cash and investment basis held in trust	<u>\$ 49,639</u>

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

SHERIDAN 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: Sheridan Community Schools

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, 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 transportation operating fund accounts for financial resources for the transportation of school children to and from school.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the various activities at the schools.

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.

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.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. 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.

4. 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.

5. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

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.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$2,388,737. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Statutory Authorization for Investments

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006-2007</u>	<u>2007-2008</u>
General Fund	Transportation Operating Fund	\$ 380,000	\$ 297,471
	Debt Service Fund	140,000	-
	Capital Projects Fund	380,000	405,000
	School Bus Replacement Fund	70,000	110,000
	Other governmental funds	80,000	67,216
Transportation Operating Fund	General Fund	162,755	272,471
	Other governmental funds	159,527	-
Debt Service Fund	General Fund	10,000	130,000
Capital Projects Fund	General Fund	-	380,000
School Bus Replacement Fund	General Fund	-	70,000
Other governmental funds	General Fund	-	82,216
	Transportation Operating Fund	210,286	-
	Debt Service Fund	7,327	-
	Capital Projects Fund	11,608	-
	School Bus Replacement Fund	1,997	-
	Other governmental funds	23,676	199
			<u>23,676</u>
Totals		<u>\$ 1,637,176</u>	<u>\$ 1,814,573</u>

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

C. Restatements and Reclassifications

Certain changes have been made to the July 1, 2006, beginning balances reported in the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Reclassification of fund cash balances and net assets - beginning:

	<u>Net Assets</u>	<u>Governmental Funds, Cash and Investments</u>	<u>Fiduciary Funds - Private- Purpose Trust</u>
Balance per prior report	\$ 2,750,197	\$ 2,750,197	\$ 2,519
Funds reclassified	<u>(10,235)</u>	<u>(10,235)</u>	<u>10,235</u>
Adjusted beginning balance	<u>\$ 2,739,962</u>	<u>\$ 2,739,962</u>	<u>\$ 12,754</u>

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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. Risk financing is not utilized for the other risks of loss.

B. Pension Plans

1. Agent Multiple-Employer and Single-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

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

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

SHERIDAN 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.

SHERIDAN 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 1,040,966	\$ 1,037,181	\$ 3,785	100%	\$ 702,671	1%
07-01-06	973,900	1,058,909	(85,009)	92%	700,573	(12%)
07-01-07	1,037,442	1,108,886	(71,444)	94%	771,469	(9%)

SHERIDAN 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	Rainy Day Fund	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply
Receipts:						
Local sources	\$ 3,132	\$ -	\$ 288,594	\$ 86,274	\$ -	\$ (2,683)
Intermediate sources	-	-	-	-	-	-
State sources	50,327	-	6,443	13,300	-	-
Federal sources	-	-	131,366	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	1,166	-	-	-
Total receipts	53,459	-	427,569	99,574	-	(2,683)
Disbursements:						
Current:						
Instruction	68,683	-	-	-	-	1,329
Support services	-	-	427,214	110,009	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	68,683	-	427,214	110,009	-	1,329
Excess (deficiency) of receipts over disbursements	(15,224)	-	355	(10,435)	-	(4,012)
Other financing sources (uses):						
Transfers in	86	182,282	-	-	-	-
Transfers out	-	(182,282)	-	-	(62,579)	-
Total other financing sources (uses)	86	-	-	-	(62,579)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,138)	-	355	(10,435)	(62,579)	(4,012)
Cash and investments - beginning	36,600	182,282	47,785	119,268	62,579	4,012
Cash and investments - ending	\$ 21,462	\$ 182,282	\$ 48,140	\$ 108,833	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 21,462	\$ 182,282	\$ 48,140	\$ 108,833	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 21,462	\$ 182,282	\$ 48,140	\$ 108,833	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	21,462	182,282	48,140	108,833	-	-
Total cash and investment fund balance - ending	\$ 21,462	\$ 182,282	\$ 48,140	\$ 108,833	\$ -	\$ -

SHERIDAN 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)

	Education License Plate	Gifted and Talented Grant 2005-06	Gifted and Talented Grant 2006-07	Entrepreneurship Education	Non-English Speaking Program	Common School Fund Advances
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -
Intermediate sources	1,575	-	-	-	-	-
State sources	-	-	12,203	-	195	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	18,152
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	1,575	-	12,203	2,000	195	18,152
Disbursements:						
Current:						
Instruction	-	62	11,904	-	114	-
Support services	-	-	-	1,163	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	6,269
Total disbursements	-	62	11,904	1,163	114	6,269
Excess (deficiency) of receipts over disbursements	1,575	(62)	299	837	81	11,883
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	1,575	(62)	299	837	81	11,883
Cash and investments - beginning	1,405	62	-	-	-	(11,883)
Cash and investments - ending	\$ 2,980	\$ -	\$ 299	\$ 837	\$ 81	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,980	\$ -	\$ 299	\$ 837	\$ 81	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,980	\$ -	\$ 299	\$ 837	\$ 81	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,980	-	299	837	81	-
Total cash and investment fund balance - ending	\$ 2,980	\$ -	\$ 299	\$ 837	\$ 81	\$ -

SHERIDAN 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)

	Hamilton County Social Work	Hamilton County Alcohol and Drugs	Ed Tech Grant	Title I 2006-2007	Title V Part A 2006-2007
Receipts:					
Local sources	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	10,000	-	-
Federal sources	-	-	-	29,060	1,656
Bonds and loans	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	25,000	10,000	29,060	1,656
Disbursements:					
Current:					
Instruction	3,056	25,000	10,000	25,100	-
Support services	-	-	-	2,580	1,447
Community services	-	-	-	833	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	3,056	25,000	10,000	28,513	1,447
Excess (deficiency) of receipts over disbursements	(3,056)	-	-	547	209
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,056)	-	-	547	209
Cash and investments - beginning	3,056	-	-	-	105
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547</u>	<u>\$ 314</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ 547	\$ 314
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547</u>	<u>\$ 314</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	547	314
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547</u>	<u>\$ 314</u>

SHERIDAN 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)

	Federal Grant Part B - Carmel	Drug Free ESEA Title IV 2004-05	School Wellness Nutritional	Tech Prep Career Majors IDWD	Title II Part A
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	60,015	5,170	130	12,793	31,109
Bonds and loans	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>60,015</u>	<u>5,170</u>	<u>130</u>	<u>12,793</u>	<u>31,109</u>
Disbursements:					
Current:					
Instruction	59,852	2,000	-	-	27,812
Support services	-	2,097	-	7,615	5,397
Community services	-	70	-	-	-
Nonprogrammed charges	-	570	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>59,852</u>	<u>4,737</u>	<u>-</u>	<u>7,615</u>	<u>33,209</u>
Excess (deficiency) of receipts over disbursements	<u>163</u>	<u>433</u>	<u>130</u>	<u>5,178</u>	<u>(2,100)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	163	433	130	5,178	(2,100)
Cash and investments - beginning	-	2,524	-	-	8,366
Cash and investments - ending	<u>\$ 163</u>	<u>\$ 2,957</u>	<u>\$ 130</u>	<u>\$ 5,178</u>	<u>\$ 6,266</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 163	\$ 2,957	\$ 130	\$ 5,178	\$ 6,266
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 163</u>	<u>\$ 2,957</u>	<u>\$ 130</u>	<u>\$ 5,178</u>	<u>\$ 6,266</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>163</u>	<u>2,957</u>	<u>130</u>	<u>5,178</u>	<u>6,266</u>
Total cash and investment fund balance - ending	<u>\$ 163</u>	<u>\$ 2,957</u>	<u>\$ 130</u>	<u>\$ 5,178</u>	<u>\$ 6,266</u>

SHERIDAN 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 II Part D Technology	Title III Limited English	Retirement Severance Bond	Construction	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 32,358	\$ -	\$ 434,675
Intermediate sources	-	-	-	-	1,575
State sources	-	-	-	-	92,468
Federal sources	1,001	575	-	-	272,875
Bonds and loans	-	-	-	14,719	32,871
Sale of property, adjustments and refunds	-	-	-	-	1,166
Total receipts	<u>1,001</u>	<u>575</u>	<u>32,358</u>	<u>14,719</u>	<u>835,630</u>
Disbursements:					
Current:					
Instruction	2,077	542	-	-	237,531
Support services	-	-	-	14,368	571,890
Community services	-	-	-	-	903
Nonprogrammed charges	-	-	-	-	570
Debt services	-	-	94,557	-	100,826
Total disbursements	<u>2,077</u>	<u>542</u>	<u>94,557</u>	<u>14,368</u>	<u>911,720</u>
Excess (deficiency) of receipts over disbursements	<u>(1,076)</u>	<u>33</u>	<u>(62,199)</u>	<u>351</u>	<u>(76,090)</u>
Other financing sources (uses):					
Transfers in	-	-	80,835	-	263,203
Transfers out	-	(33)	(10,000)	-	(254,894)
Total other financing sources (uses)	<u>-</u>	<u>(33)</u>	<u>70,835</u>	<u>-</u>	<u>8,309</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,076)</u>	<u>-</u>	<u>8,636</u>	<u>351</u>	<u>(67,781)</u>
Cash and investments - beginning	<u>1,076</u>	<u>-</u>	<u>38,388</u>	<u>(351)</u>	<u>495,274</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,024</u>	<u>\$ -</u>	<u>\$ 427,493</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 380,469
Restricted assets:					
Cash and investments	-	-	47,024	-	47,024
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,024</u>	<u>\$ -</u>	<u>\$ 427,493</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ 47,024	\$ -	\$ 47,024
Unrestricted	-	-	-	-	380,469
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,024</u>	<u>\$ -</u>	<u>\$ 427,493</u>

SHERIDAN 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, 2008

	Special Education Preschool	Rainy Day Fund	School Lunch	Textbook Rental	Education License Plate
Receipts:					
Local sources	\$ 6,141	\$ -	\$ 307,025	\$ 79,831	\$ -
Intermediate sources	-	-	-	-	675
State sources	50,160	-	6,470	22,919	-
Federal sources	-	-	173,001	-	-
Sale of property, adjustments and refunds	-	182,283	-	103	-
Total receipts	<u>56,301</u>	<u>182,283</u>	<u>486,496</u>	<u>102,853</u>	<u>675</u>
Disbursements:					
Current:					
Instruction	41,969	-	-	-	-
Support services	-	182,282	477,721	73,446	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>41,969</u>	<u>182,282</u>	<u>477,721</u>	<u>73,446</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>14,332</u>	<u>1</u>	<u>8,775</u>	<u>29,407</u>	<u>675</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>14,332</u>	<u>1</u>	<u>8,775</u>	<u>29,407</u>	<u>675</u>
Cash and investments - beginning	<u>21,462</u>	<u>182,282</u>	<u>48,140</u>	<u>108,833</u>	<u>2,980</u>
Cash and investments - ending	<u>\$ 35,794</u>	<u>\$ 182,283</u>	<u>\$ 56,915</u>	<u>\$ 138,240</u>	<u>\$ 3,655</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 35,794	\$ 182,283	\$ 56,915	\$ 138,240	\$ 3,655
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 35,794</u>	<u>\$ 182,283</u>	<u>\$ 56,915</u>	<u>\$ 138,240</u>	<u>\$ 3,655</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	35,794	182,283	56,915	138,240	3,655
Total cash and investment fund balance - ending	<u>\$ 35,794</u>	<u>\$ 182,283</u>	<u>\$ 56,915</u>	<u>\$ 138,240</u>	<u>\$ 3,655</u>

SHERIDAN 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, 2008
 (Continued)

	Gifted and Talented 2007-2008	Gifted and Talented Grant 2006-07	Gifted and Talented Grant 2007-08	Entrepreneurship Education	Non-English Speaking Program
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	30,384	-	-	-	1,784
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>30,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784</u>
Disbursements:					
Current:					
Instruction	17,998	299	11,016	-	1,644
Support services	-	-	-	837	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>17,998</u>	<u>299</u>	<u>11,016</u>	<u>837</u>	<u>1,644</u>
Excess (deficiency) of receipts over disbursements	<u>12,386</u>	<u>(299)</u>	<u>(11,016)</u>	<u>(837)</u>	<u>140</u>
Other financing sources (uses):					
Transfers in	-	-	11,016	-	-
Transfers out	(11,016)	-	-	-	-
Total other financing sources (uses)	<u>(11,016)</u>	<u>-</u>	<u>11,016</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,370</u>	<u>(299)</u>	<u>-</u>	<u>(837)</u>	<u>140</u>
Cash and investments - beginning	<u>-</u>	<u>299</u>	<u>-</u>	<u>837</u>	<u>81</u>
Cash and investments - ending	<u>\$ 1,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,370	\$ -	\$ -	\$ -	\$ 221
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,370	-	-	-	221
Total cash and investment fund balance - ending	<u>\$ 1,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>

SHERIDAN 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, 2008
 (Continued)

	Access Indiana	Title I 2006-2007	Title I 2007-2008	Title V Part A 2007-2008	Title V Part A 2006-2007
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	21,505	16,570	1,764	-
Sale of property, adjustments and refunds	412	-	-	-	-
	<u>412</u>	<u>21,505</u>	<u>16,570</u>	<u>1,764</u>	<u>-</u>
Total receipts	412	21,505	16,570	1,764	-
Disbursements:					
Current:					
Instruction	412	17,620	17,553	-	-
Support services	-	648	416	-	314
Community services	-	416	-	-	-
Debt services	-	-	-	-	-
	<u>412</u>	<u>18,684</u>	<u>17,969</u>	<u>-</u>	<u>314</u>
Total disbursements	412	18,684	17,969	-	314
Excess (deficiency) of receipts over disbursements	-	2,821	(1,399)	1,764	(314)
Other financing sources (uses):					
Transfers in	-	-	1,399	-	-
Transfers out	-	(1,399)	-	-	-
	<u>-</u>	<u>(1,399)</u>	<u>1,399</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	(1,399)	1,399	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,422	-	1,764	(314)
Cash and investments - beginning	-	547	-	-	314
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ 1,764</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 1,969	\$ -	\$ 1,764	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	\$ -	\$ 1,969	\$ -	\$ 1,764	\$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,969	-	1,764	-
	<u>-</u>	<u>1,969</u>	<u>-</u>	<u>1,764</u>	<u>-</u>
Total cash and investment fund balance - ending	\$ -	\$ 1,969	\$ -	\$ 1,764	\$ -

SHERIDAN 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, 2008
 (Continued)

	Federal Grant Part B	Federal Grant Part B - Carmel	Drug Free ESEA Title IV 2004-05	School Wellness Nutritional	Tech Prep Career Majors IDWD
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	50,619	-	1,918	-	6,207
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	50,619	-	1,918	-	6,207
Disbursements:					
Current:					
Instruction	49,248	163	-	130	-
Support services	-	-	1,745	-	11,385
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	49,248	163	1,745	130	11,385
Excess (deficiency) of receipts over disbursements	1,371	(163)	173	(130)	(5,178)
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	1,371	(163)	173	(130)	(5,178)
Cash and investments - beginning	-	163	2,957	130	5,178
Cash and investments - ending	<u>\$ 1,371</u>	<u>\$ -</u>	<u>\$ 3,130</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,371	\$ -	\$ 3,130	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,371</u>	<u>\$ -</u>	<u>\$ 3,130</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,371	-	3,130	-	-
Total cash and investment fund balance - ending	<u>\$ 1,371</u>	<u>\$ -</u>	<u>\$ 3,130</u>	<u>\$ -</u>	<u>\$ -</u>

SHERIDAN 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, 2008
 (Continued)

	Title II Part A	Title III Limited English	Retirement Severance Bond	Construction	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 124,147	\$ -	\$ 517,144
Intermediate sources	-	-	-	-	675
State sources	-	-	-	-	111,717
Federal sources	64,413	1,617	-	-	337,614
Sale of property, adjustments and refunds	-	-	-	-	182,798
Total receipts	64,413	1,617	124,147	-	1,149,948
Disbursements:					
Current:					
Instruction	23,282	507	-	-	181,841
Support services	6,819	-	-	-	755,613
Community services	-	-	-	-	416
Debt services	-	-	101,130	-	101,130
Total disbursements	30,101	507	101,130	-	1,039,000
Excess (deficiency) of receipts over disbursements	34,312	1,110	23,017	-	110,948
Other financing sources (uses):					
Transfers in	-	-	55,000	-	67,415
Transfers out	-	-	(70,000)	-	(82,415)
Total other financing sources (uses)	-	-	(15,000)	-	(15,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,312	1,110	8,017	-	95,948
Cash and investments - beginning	6,266	-	47,024	-	427,493
Cash and investments - ending	\$ 40,578	\$ 1,110	\$ 55,041	\$ -	\$ 523,441
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 40,578	\$ 1,110	\$ -	\$ -	\$ 468,400
Restricted assets:					
Cash and investments	-	-	55,041	-	55,041
Total cash and investment assets - ending	\$ 40,578	\$ 1,110	\$ 55,041	\$ -	\$ 523,441
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 55,041	\$ -	\$ 55,041
Unrestricted	40,578	1,110	-	-	468,400
Total cash and investment fund balance - ending	\$ 40,578	\$ 1,110	\$ 55,041	\$ -	\$ 523,441

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Totals
Deductions:		
Benefits	\$ 468,683	\$ 468,683
Total deductions	468,683	468,683
Deficiency of total additions over total deductions	(468,683)	(468,683)
Cash and investment fund balance - beginning	468,683	468,683
Cash and investment fund balance - ending	\$ -	\$ -
Net assets:		
Cash and investments	\$ -	\$ -
Total net assets - cash and investment basis held in trust	\$ -	\$ -

SHERIDAN 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

	Access Indiana	Morgan/Nova Net Donation	Donations Coca-Cola	DTS Donation	Moore Foundation	The Farmers Bank
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 19,749	\$ -	\$ 18,000	\$ -
Total additions	-	-	19,749	-	18,000	-
Deductions:						
Administrative and general	-	4,824	377	-	18,786	364
Excess (deficiency) of total additions over total deductions	-	(4,824)	19,372	-	(786)	(364)
Cash and investment fund balance - beginning	412	8,000	-	500	1,320	364
Cash and investments - June 30	<u>\$ 412</u>	<u>\$ 3,176</u>	<u>\$ 19,372</u>	<u>\$ 500</u>	<u>\$ 534</u>	<u>\$ -</u>
Net assets:						
Cash and investments	\$ 412	\$ 3,176	\$ 19,372	\$ 500	\$ 534	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ 412</u>	<u>\$ 3,176</u>	<u>\$ 19,372</u>	<u>\$ 500</u>	<u>\$ 534</u>	<u>\$ -</u>

SHERIDAN 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
 (Continued)

	Cultural Arts Fund	Wal-Mart Foundation - Elem. Music	Sheridan Schools Education Foundation	St. Vincent Donation	Tobacco Program - Brown	Totals
Additions:						
Contributions:						
Other	\$ 2,430	\$ -	\$ 20,250	\$ -	\$ 1,000	\$ 61,429
Total additions	<u>2,430</u>	<u>-</u>	<u>20,250</u>	<u>-</u>	<u>1,000</u>	<u>61,429</u>
Deductions:						
Administrative and general	<u>1,680</u>	<u>70</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>26,351</u>
Excess (deficiency) of total additions over total deductions	750	(70)	20,250	(250)	1,000	35,078
Cash and investment fund balance - beginning	<u>447</u>	<u>711</u>	<u>750</u>	<u>250</u>	<u>-</u>	<u>12,754</u>
Cash and investments - June 30	<u>\$ 1,197</u>	<u>\$ 641</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 47,832</u>
Net assets:						
Cash and investments	<u>\$ 1,197</u>	<u>\$ 641</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 47,832</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,197</u>	<u>\$ 641</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 47,832</u>

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Access Indiana	Fund 2020	Morgan/Nova Net Donation	Donations Coca-Cola	DTS Donation	Moore Foundation
Additions:						
Contributions:						
Other	\$ -	\$ 5,138	\$ -	\$ 12,190	\$ -	\$ 22,000
Total additions	<u>-</u>	<u>5,138</u>	<u>-</u>	<u>12,190</u>	<u>-</u>	<u>22,000</u>
Deductions:						
Administrative and general	<u>-</u>	<u>5,138</u>	<u>3,176</u>	<u>13,888</u>	<u>500</u>	<u>19,520</u>
Excess (deficiency) of total additions over total deductions	-	-	(3,176)	(1,698)	(500)	2,480
Cash and investment fund balance - beginning	<u>412</u>	<u>-</u>	<u>3,176</u>	<u>19,372</u>	<u>500</u>	<u>534</u>
Cash and investments - June 30	<u>\$ 412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,674</u>	<u>\$ -</u>	<u>\$ 3,014</u>
Net assets:						
Cash and investments	<u>\$ 412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,674</u>	<u>\$ -</u>	<u>\$ 3,014</u>
Total net assets - cash and investment basis held in trust	<u>\$ 412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,674</u>	<u>\$ -</u>	<u>\$ 3,014</u>

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Cultural Arts Fund	Wal-Mart Foundation - Elem. Music	Sheridan Schools Education Foundation	St. Vincent Donation	Tobacco Program - Brown	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 295	\$ 21,000	\$ 12,195	\$ -	\$ 72,818
Total additions	<u>-</u>	<u>295</u>	<u>21,000</u>	<u>12,195</u>	<u>-</u>	<u>72,818</u>
Deductions:						
Administrative and general	<u>-</u>	<u>936</u>	<u>21,250</u>	<u>5,603</u>	<u>1,000</u>	<u>71,011</u>
Excess (deficiency) of total additions over total deductions	-	(641)	(250)	6,592	(1,000)	1,807
Cash and investment fund balance - beginning	<u>1,197</u>	<u>641</u>	<u>21,000</u>	<u>-</u>	<u>1,000</u>	<u>47,832</u>
Cash and investments - June 30	<u>\$ 1,197</u>	<u>\$ -</u>	<u>\$ 20,750</u>	<u>\$ 6,592</u>	<u>\$ -</u>	<u>\$ 49,639</u>
Net assets:						
Cash and investments	<u>\$ 1,197</u>	<u>\$ -</u>	<u>\$ 20,750</u>	<u>\$ 6,592</u>	<u>\$ -</u>	<u>\$ 49,639</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,197</u>	<u>\$ -</u>	<u>\$ 20,750</u>	<u>\$ 6,592</u>	<u>\$ -</u>	<u>\$ 49,639</u>

SHERIDAN COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 1,189,572	\$ 423,888
Bonds payable:		
General obligation bonds:		
School improvements	1,290,000	106,355
Retirement bond	880,000	98,897
Total governmental activities debt	\$ 3,359,572	\$ 629,140

SHERIDAN COMMUNITY SCHOOLS
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets was maintained.

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

ACADEMIC HONORS DIPLOMA - INCORRECT REPORTING TO THE STATE

The information presented for examination indicates the number of academic honors diplomas awarded were over reported by two for the school year ending June 30, 2007.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine corrective action necessary, if any, to correct any potential overpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

SHERIDAN COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 14, 2009, with Dr. Derek Arrowood, Superintendent of Schools; and Robin Popejoy, Treasurer. The officials concurred with our examination findings.