

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

AUDIT REPORT
OF
WEST WASHINGTON SCHOOL CORPORATION
WASHINGTON COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
05/05/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-23
Required Supplementary Information:	
Schedule of Funding Progress	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	33-34
Schedule of Capital Assets.....	35
Schedule of Long-Term Debt	36
Audit Results and Comments:	
Appropriations.....	37
Personal Expenses.....	37-38
Textbook Rental Receipts	38
Supplemental Audit of Federal Awards:	
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.....	40-41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards.....	43
Schedule of Findings and Questioned Costs	44-45
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	46
Corrective Action Plan.....	47
Exit Conference.....	48

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Terry L. Nesmith	07-01-06 to 06-30-09
Superintendent of Schools	Gerald W. Jackson	07-01-06 to 07-31-13
President of the School Board	Rick D. Roberts	07-01-06 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE WEST WASHINGTON SCHOOL
CORPORATION, WASHINGTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Washington School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, 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 prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, 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 April 22, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 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.

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

April 22, 2009



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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 WEST WASHINGTON SCHOOL
CORPORATION, WASHINGTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Washington School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 22, 2009. 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.

We noted certain matters that we reported to management in a separate letter dated April 22, 2009.

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, the West Washington School Board of Trustees, 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

April 22, 2009

WEST WASHINGTON SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 4,523,975	\$ -	\$ 82,993	\$ (4,440,982)
Support services	3,843,220	162,850	223,859	(3,456,511)
Community services	101,936	-	-	(101,936)
Nonprogrammed charges	599,535	-	-	(599,535)
Debt service	<u>1,062,576</u>	<u>-</u>	<u>-</u>	<u>(1,062,576)</u>
Total governmental activities	<u>\$ 10,131,242</u>	<u>\$ 162,850</u>	<u>\$ 306,852</u>	<u>(9,661,540)</u>
General receipts:				
Property taxes				1,362,066
Other local sources				461,313
State aid				4,655,228
Bonds and loans				380,787
Grants and contributions not restricted to specific programs				279,045
Sale of property, adjustments, and refunds				34,759
Investment earnings				<u>175,017</u>
Total general receipts				<u>7,348,215</u>
Change in net assets				(2,313,325)
Net assets - beginning				<u>4,296,302</u>
Net assets - ending				<u>\$ 1,982,977</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,982,977</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,982,977</u>

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

WEST WASHINGTON SCHOOL CORPORATION
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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,460,173	\$ -	\$ 123,897	\$ (4,336,276)
Support services	3,407,049	164,039	235,654	(3,007,356)
Community services	111,898	-	-	(111,898)
Nonprogrammed charges	650,756	-	-	(650,756)
Debt service	1,687,372	-	-	(1,687,372)
Total governmental activities	<u>\$ 10,317,248</u>	<u>\$ 164,039</u>	<u>\$ 359,551</u>	<u>(9,793,658)</u>
General receipts:				
Property taxes				3,461,104
Other local sources				625,708
State aid				4,793,211
Grants and contributions not restricted to specific programs				323,129
Sale of property, adjustments, and refunds				104,315
Investment earnings				75,010
Total general receipts				<u>9,382,477</u>
Change in net assets				(411,181)
Net assets - beginning				<u>1,982,977</u>
Net assets - ending				<u>\$ 1,571,796</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,571,796</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,571,796</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 1,070,798	\$ 198,419	\$ 308,141	\$ 207,179	\$ 29,180	\$ 332,247	\$ 2,145,964
Intermediate sources	451	-	-	-	-	581	1,032
State sources	4,726,295	-	-	-	-	63,582	4,789,877
Federal sources	4,500	-	-	-	-	460,998	465,498
Bonds and loans	-	236,367	144,420	-	-	-	380,787
Sale of property, adjustments and refunds	34,759	-	-	-	-	-	34,759
Interfund loans	234,004	55,865	-	-	-	368,704	658,573
Total receipts	<u>6,070,807</u>	<u>490,651</u>	<u>452,561</u>	<u>207,179</u>	<u>29,180</u>	<u>1,226,112</u>	<u>8,476,490</u>
Disbursements:							
Current:							
Instruction	4,302,332	-	-	-	-	221,643	4,523,975
Support services	1,729,071	478,357	16,611	1,022,933	99,794	496,454	3,843,220
Community services	97,436	-	-	-	-	4,500	101,936
Nonprogrammed charges	569,285	-	-	-	-	30,250	599,535
Debt services	-	-	836,568	-	-	226,008	1,062,576
Interfund loans	424,570	55,865	-	-	-	178,138	658,573
Total disbursements	<u>7,122,694</u>	<u>534,222</u>	<u>853,179</u>	<u>1,022,933</u>	<u>99,794</u>	<u>1,156,993</u>	<u>10,789,815</u>
Excess (deficiency) of receipts over disbursements	<u>(1,051,887)</u>	<u>(43,571)</u>	<u>(400,618)</u>	<u>(815,754)</u>	<u>(70,614)</u>	<u>69,119</u>	<u>(2,313,325)</u>
Other financing sources (uses):							
Transfers in	-	68,824	-	-	-	11,806	80,630
Transfers out	-	-	(68,824)	-	-	(11,806)	(80,630)
Total other financing sources (uses)	<u>-</u>	<u>68,824</u>	<u>(68,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,051,887)</u>	<u>25,253</u>	<u>(469,442)</u>	<u>(815,754)</u>	<u>(70,614)</u>	<u>69,119</u>	<u>(2,313,325)</u>
Cash and investments - beginning	<u>2,706,540</u>	<u>(25,243)</u>	<u>469,442</u>	<u>936,491</u>	<u>71,440</u>	<u>137,632</u>	<u>4,296,302</u>
Cash and investments - ending	<u>\$ 1,654,653</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 120,737</u>	<u>\$ 826</u>	<u>\$ 206,751</u>	<u>\$ 1,982,977</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 1,654,653</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 120,737</u>	<u>\$ 826</u>	<u>\$ 206,751</u>	<u>\$ 1,982,977</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 1,654,653</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 120,737</u>	<u>\$ 826</u>	<u>\$ 206,751</u>	<u>\$ 1,982,977</u>

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

WEST WASHINGTON SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,711,746	\$ 527,298	\$ -	\$ 1,095,019	\$ 432,275	\$ 111,656	\$ 447,155	\$ 4,325,149
Intermediate sources	451	-	-	-	-	-	262	713
State sources	4,887,712	-	-	-	-	-	110,486	4,998,198
Federal sources	-	-	-	-	-	-	477,692	477,692
Sale of property, adjustments and refunds	103,265	1,050	-	-	-	-	-	104,315
Interfund loans	459,095	332,676	-	153,350	-	22,404	348,886	1,316,411
Total receipts	7,162,269	861,024	-	1,248,369	432,275	134,060	1,384,481	11,222,478
Disbursements:								
Current:								
Instruction	4,124,860	-	-	-	-	-	335,313	4,460,173
Support services	1,672,634	519,264	-	-	550,219	106,500	558,432	3,407,049
Community services	110,566	-	-	-	-	-	1,332	111,898
Nonprogrammed charges	574,975	-	-	-	-	-	75,781	650,756
Debt services	-	241,013	-	1,219,646	-	-	226,713	1,687,372
Interfund loans	857,316	97,123	-	-	-	22,404	339,568	1,316,411
Total disbursements	7,340,351	857,400	-	1,219,646	550,219	128,904	1,537,139	11,633,659
Excess (deficiency) of receipts over disbursements	(178,082)	3,624	-	28,723	(117,944)	5,156	(152,658)	(411,181)
Other financing sources (uses):								
Transfers in	32,649	-	500,000	-	-	-	105,646	638,295
Transfers out	(512,243)	(3,634)	-	(28,723)	(2,487)	-	(91,208)	(638,295)
Total other financing sources (uses)	(479,594)	(3,634)	500,000	(28,723)	(2,487)	-	14,438	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(657,676)	(10)	500,000	-	(120,431)	5,156	(138,220)	(411,181)
Cash and investments - beginning	1,654,653	10	-	-	120,737	826	206,751	1,982,977
Cash and investments - ending	\$ 996,977	\$ -	\$ 500,000	\$ -	\$ 306	\$ 5,982	\$ 68,531	\$ 1,571,796
Cash and Investment Assets - Ending								
Cash and investments	\$ 996,977	\$ -	\$ 500,000	\$ -	\$ 306	\$ 5,982	\$ 68,531	\$ 1,571,796
Cash and Investment Fund Balance - Ending								
Unrestricted	\$ 996,977	\$ -	\$ 500,000	\$ -	\$ 306	\$ 5,982	\$ 68,531	\$ 1,571,796

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

WEST WASHINGTON SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions	\$ 942	\$ 15,343
Deductions:		
Benefits	115,752	-
Administrative and general	<u>-</u>	<u>16,683</u>
Total deductions	<u>115,752</u>	<u>16,683</u>
Deficiency of total additions over total deductions	(114,810)	(1,340)
Cash and investment fund balance - beginning	<u>516,984</u>	<u>17,341</u>
Cash and investment fund balance - ending	<u>\$ 402,174</u>	<u>\$ 16,001</u>
Net assets:		
Cash and investments	<u>\$ 402,174</u>	<u>\$ 16,001</u>
Total net assets - cash and investment basis held in trust	<u>\$ 402,174</u>	<u>\$ 16,001</u>

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

WEST WASHINGTON SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions	\$ -	\$ 19,002
Deductions:		
Benefits	64,582	-
Administrative and general	-	18,065
Total deductions	<u>64,582</u>	<u>18,065</u>
Excess (deficiency) of total additions over total deductions	(64,582)	937
Cash and investment fund balance - beginning	<u>402,174</u>	<u>16,001</u>
Cash and investment fund balance - ending	<u>\$ 337,592</u>	<u>\$ 16,938</u>
Net assets:		
Cash and investments	<u>\$ 337,592</u>	<u>\$ 16,938</u>
Total net assets - cash and investment basis held in trust	<u>\$ 337,592</u>	<u>\$ 16,938</u>

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

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: West Washington School Corporation

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

Joint Ventures

The School Corporation is a participant with Paoli Community School Corporation and Springs Valley Community School Corporation in a joint venture to operate Lost River Career Cooperative, which was created to establish and maintain an area vocational school. The School Corporation is obligated by contract to remit a percentage of the Cooperatives operating budget annually to supplement the Cooperative. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Lost River Career Cooperative can be obtained from the joint venture's administrative office at 600 Elm Street, Suite 1, Paoli, IN 47454.

The School Corporation is a participant with Crawford County Community Schools, East Washington School Corporation, Paoli Community Schools, Salem Community Schools, and Springs Valley School Corporation in a joint venture to operate South Central Area Special Education Cooperative (Co-op), which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit a percentage of the Co-op's operating budget annually to supplement the Co-op. The Co-op's continued existence depends on continued funding by the School Corporation. Complete financial statements for the South Central Area Special Education Cooperative can be obtained from the joint venture's administrative office at 600 Elm Street, Suite 2, Paoli, IN 47454.

The School Corporation is a participant with 23 other schools in a joint venture to operate the Southern Indiana Education Interlocal, which was created to provide services and supplies. The Southern Indiana Education Interlocal's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Southern Indiana Education Interlocal can be obtained from the joint venture's administrative office at 1102 Tree Lane Road, Jasper, IN 47546.

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the board of another organization, but the School Corporation's accountability for this organization does not extend beyond making the appointments. The School Corporation appoints a board member of the Washington County Community Foundation.

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. The School Corporation does not have any business-type activities.

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 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.

The rainy day fund is used as a reserve fund to be used when other funds have been depleted.

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust funds report trust arrangements under which the principal and income benefit the students and teachers.

C. Measurement Focus and Basis of Accounting

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

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

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.

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.

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental 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 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.

E. 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.

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.

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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. Disbursements in Excess of Appropriations

For the years ended June 30, 2007 and 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2006
Transportation Operating	\$ 14,960
Special Ed Preschool	11,000
Total	\$ 25,960

These disbursements were funded by available fund balances in each of the funds listed.

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 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 \$1,926,326. 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, 2007 and 2008, were as follows:

Transfer From	Transfer To	2007	2008
General Fund	Rainy Day	\$ -	\$ 500,000
General Fund	Other governmental funds	-	12,243
Debt Service	Transportation Operating	68,824	-
Debt Service	Other governmental funds	-	28,723
Capital Projects	Other governmental funds	-	2,487
Transportation Operating	Other governmental funds	-	3,634
Other governmental funds	General Fund	-	32,649
Other governmental funds	Other governmental funds	11,806	58,559
Totals		\$ 80,630	\$ 638,295

The School Corporation typically uses transfers for carry-over of unexpended grant funds at the end of the grant period and cash flow purposes as provided by various statutory provisions.

WEST WASHINGTON SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

C. Restatements and Reclassifications

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

Opinion Unit	Balance as Reported June 30, 2006	Fund Reclassifications	Balance as Restated July 1, 2006
Governmental Activities	\$ 4,307,798	\$ (11,496)	\$ 4,296,302
Other Governmental Funds	149,128	(11,496)	137,632
Private-Purpose Trust Funds	5,845	11,496	17,341

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. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with the West Washington Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease rental payments during the audit period totaled \$883,142.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

a. 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

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 54,982
Interest on net pension obligation	(4,662)
Adjustment to annual required contribution	5,313
Annual pension cost	55,633
Contributions made	57,547
Decrease in net pension obligation	(1,914)
Net pension obligation, beginning of year	(64,304)
Net pension obligation, end of year	\$ (66,218)

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	5%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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	06-30-05	\$ 47,092	96%	\$ (77,370)
	06-30-06	60,894	79%	(64,304)
	06-30-07	55,633	103%	(66,218)

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

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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, 2006, 2007, and 2008, were \$85,455, \$100,692, and \$114,608, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

3. Defined Contribution Pension Plan

West Washington School Corporation 401(a) Plan

Plan Description

The School Corporation has a defined contribution pension plan administered by the Metropolitan Life Insurance Company (MetLife) as authorized by Section 401(a) of the Internal Revenue Code of 1986. The plan was established by written agreement between the School Corporation and the Plan Administrator. The Plan Administrator issues a publicly available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

Metropolitan Life Insurance Company
200 Park Avenue
New York, NY 10166

WEST WASHINGTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the School Corporation are established by the written agreement between the School Corporation and the Plan Administrator. The School Corporation is required to contribute 1.2% of each bargaining unit member's base salary. For the year ended June 30, 2008, employer contributions to the plan were \$44,056.

D. Postemployment Benefits

In addition to the pension benefits described above, the School Corporation sets aside monies in a Welfare Benefits Account (WBA). The School Corporation contributes six-tenths of one percent (.6%) of each employee's contract salary in effect for that school year. On or after attaining the age of fifty (57) and signing a sixth consecutive contract, a retired employee may use the amounts held in his/her WBA account to pay for various insurance premiums and to be reimbursed for unreimbursed medical expenses of the retirees and their dependents. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$20,527 were recognized for postemployment benefits.

WEST WASHINGTON SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 761,779	\$ 1,000,398	\$ (238,619)	76%	\$ 772,162	(31%)
07-01-06	808,546	937,724	(129,178)	86%	699,879	(18%)
07-01-07	742,828	973,810	(230,982)	76%	767,598	(30%)

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

	Special Ed Preschool	School Lunch	Textbook Rental	Education License Plates	Donation Fund Scoreboard	Donations Playground	06/07 CAPE Guide Specialist
Receipts:							
Local sources	\$ 1,750	\$ 144,174	\$ 68,321	\$ -	\$ -	\$ 9,600	\$ -
Intermediate sources	-	-	-	581	-	-	-
State sources	28,773	3,019	19,714	-	-	-	-
Federal sources	-	196,626	-	-	-	-	14,250
Interfund loans	-	-	191,987	-	-	-	-
Total receipts	30,523	343,819	280,022	581	-	9,600	14,250
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	347,287	93,918	-	100	-	12,264
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	30,250	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	121,417	-	-	-	-
Total disbursements	30,250	347,287	215,335	-	100	-	12,264
Excess (deficiency) of receipts over disbursements	273	(3,468)	64,687	581	(100)	9,600	1,986
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	273	(3,468)	64,687	581	(100)	9,600	1,986
Cash and investments - beginning	19,386	61,138	(64,656)	1,101	3,923	-	-
Cash and investments - ending	\$ 19,659	\$ 57,670	\$ 31	\$ 1,682	\$ 3,823	\$ 9,600	\$ 1,986
Cash and Investment Assets - Ending							
Cash and investments	\$ 19,659	\$ 57,670	\$ 31	\$ 1,682	\$ 3,823	\$ 9,600	\$ 1,986
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 19,659	\$ 57,670	\$ 31	\$ 1,682	\$ 3,823	\$ 9,600	\$ 1,986

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

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

	05/06 CAPE Guide Specialist	Coke Fund	06/07 Gifted & Talented	Medicare Reimbursement State	Non-Speaking English Program	Tech Grant 05/06 Round 2	Washington County Fund for Educators
Receipts:							
Local sources	\$ -	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ 200
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	11,998	-	78	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	3,376	-	-	-	-
Total receipts	-	108	15,374	-	78	-	200
Disbursements:							
Current:							
Instruction	445	-	8,318	-	-	8,647	200
Support services	-	-	-	-	-	-	-
Community services	-	382	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	3,376	-	-	-	-
Total disbursements	445	382	11,694	-	-	8,647	200
Excess (deficiency) of receipts over disbursements	(445)	(274)	3,680	-	78	(8,647)	-
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	(445)	(274)	3,680	-	78	(8,647)	-
Cash and investments - beginning	445	876	-	10,100	298	8,647	-
Cash and investments - ending	\$ -	\$ 602	\$ 3,680	\$ 10,100	\$ 376	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 602	\$ 3,680	\$ 10,100	\$ 376	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 602	\$ 3,680	\$ 10,100	\$ 376	\$ -	\$ -

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

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

	Title I 05/06	Title I 06/07	Title V Part A SY 05/06	Title V Part A SY 06/07	Drug Free 05/06	06/07 Safe/ Drug Free	Title II Part A 04/05 CSRD
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	242,249	-	1,777	-	4,596	-
Interfund loans	-	45,571	-	-	-	273	-
Total receipts	-	287,820	-	1,777	-	4,869	-
Disbursements:							
Current:							
Instruction	(99)	141,026	-	-	-	-	2,864
Support services	-	33,079	5	885	4,320	4,596	-
Community services	(72)	4,190	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	45,571	-	-	-	273	-
Total disbursements	(171)	223,866	5	885	4,320	4,869	2,864
Excess (deficiency) of receipts over disbursements	171	63,954	(5)	892	(4,320)	-	(2,864)
Other financing sources (uses):							
Transfers in	-	11,806	-	-	-	-	-
Transfers out	(11,806)	-	-	-	-	-	-
Total other financing sources (uses)	(11,806)	11,806	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,635)	75,760	(5)	892	(4,320)	-	(2,864)
Cash and investments - beginning	11,635	-	5	-	4,320	-	2,864
Cash and investments - ending	\$ -	\$ 75,760	\$ -	\$ 892	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 75,760	\$ -	\$ 892	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 75,760	\$ -	\$ 892	\$ -	\$ -	\$ -

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

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

	Medicare Reimbursement Federal	Hurricane Relief Fund	Title II Part A 05/06 CSRD	Title II Part D SY 05/06	Retirement/ Severance Bond Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 108,094	\$ 332,247
Intermediate sources	-	-	-	-	-	581
State sources	-	-	-	-	-	63,582
Federal sources	-	1,500	-	-	-	460,998
Interfund loans	-	-	-	-	127,497	368,704
Total receipts	-	1,500	-	-	235,591	1,226,112
Disbursements:						
Current:						
Instruction	-	4,500	52,959	2,783	-	221,643
Support services	-	-	-	-	-	496,454
Community services	-	-	-	-	-	4,500
Nonprogrammed charges	-	-	-	-	-	30,250
Debt services	-	-	-	-	226,008	226,008
Interfund loans	-	-	-	-	7,501	178,138
Total disbursements	-	4,500	52,959	2,783	233,509	1,156,993
Excess (deficiency) of receipts over disbursements	-	(3,000)	(52,959)	(2,783)	2,082	69,119
Other financing sources (uses):						
Transfers in	-	-	-	-	-	11,806
Transfers out	-	-	-	-	-	(11,806)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,000)	(52,959)	(2,783)	2,082	69,119
Cash and investments - beginning	13,613	3,000	60,236	2,783	(2,082)	137,632
Cash and investments - ending	\$ 13,613	\$ -	\$ 7,277	\$ -	\$ -	\$ 206,751
Cash and Investment Assets - Ending						
Cash and investments	\$ 13,613	\$ -	\$ 7,277	\$ -	\$ -	\$ 206,751
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 13,613	\$ -	\$ 7,277	\$ -	\$ -	\$ 206,751

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

WEST WASHINGTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Ed Preschool	School Lunch	Textbook Rental	Levy Excess Fund	Education License Plates	Safe Haven 07/08	Donation Fund Scoreboard
Receipts:							
Local sources	\$ 3,789	\$ 144,863	\$ 32,367	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	262	-	-
State sources	30,804	2,870	45,178	-	-	2,239	-
Federal sources	-	187,606	-	-	-	-	-
Interfund loans	21,559	-	133,990	-	-	2,239	-
Total receipts	56,152	335,339	211,535	-	262	4,478	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	376,808	74,633	-	-	2,239	3,823
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	75,781	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	153,192	-	-	2,239	-
Total disbursements	75,781	376,808	227,825	-	-	4,478	3,823
Excess (deficiency) of receipts over disbursements	(19,629)	(41,469)	(16,290)	-	262	-	(3,823)
Other financing sources (uses):							
Transfers in	-	-	16,189	32,649	-	-	-
Transfers out	(30)	-	-	(32,649)	-	-	-
Total other financing sources (uses)	(30)	-	16,189	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,659)	(41,469)	(101)	-	262	-	(3,823)
Cash and investments - beginning	19,659	57,670	31	-	1,682	-	3,823
Cash and investments - ending	\$ -	\$ 16,201	\$ (70)	\$ -	\$ 1,944	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 16,201	\$ (70)	\$ -	\$ 1,944	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 16,201	\$ (70)	\$ -	\$ 1,944	\$ -	\$ -

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

WEST WASHINGTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Donations Playground	06/07 CAPE Guide Specialist	07/08 CAPE Guide Specialist	Coke Fund	WHAS Grant	07/08 Gifted & Talented	06/07 Gifted & Talented
Receipts:							
Local sources	\$ 100	\$ -	\$ 18,000	\$ -	\$ 20,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	29,395	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	4,811	-	-	-	-
Total receipts	100	-	22,811	-	20,000	29,395	-
Disbursements:							
Current:							
Instruction	-	-	22,811	-	-	28,310	3,680
Support services	9,700	1,986	-	-	20,000	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	9,700	1,986	22,811	-	20,000	28,310	3,680
Excess (deficiency) of receipts over disbursements	(9,600)	(1,986)	-	-	-	1,085	(3,680)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,600)	(1,986)	-	-	-	1,085	(3,680)
Cash and investments - beginning	9,600	1,986	-	602	-	-	3,680
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 602	\$ -	\$ 1,085	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ 602	\$ -	\$ 1,085	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ -	\$ -	\$ 602	\$ -	\$ 1,085	\$ -

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

WEST WASHINGTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Medicare Reimbursement State	Non-Speaking English Program	Washington County Fund for Educators	Title I 07/08	Title I 06/07	Title V Library	Title V Part A SY 06/07
Receipts:							
Local sources	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	224,792	-	1,642	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	-	600	224,792	-	1,642	-
Disbursements:							
Current:							
Instruction	-	-	458	201,707	18,952	-	-
Support services	-	-	-	64,126	-	821	892
Community services	-	-	-	1,332	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	458	267,165	18,952	821	892
Excess (deficiency) of receipts over disbursements	-	-	142	(42,373)	(18,952)	821	(892)
Other financing sources (uses):							
Transfers in	-	-	-	56,808	-	-	-
Transfers out	-	-	-	-	(56,808)	-	-
Total other financing sources (uses)	-	-	-	56,808	(56,808)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	142	14,435	(75,760)	821	(892)
Cash and investments - beginning	10,100	376	-	-	75,760	-	892
Cash and investments - ending	<u>\$ 10,100</u>	<u>\$ 376</u>	<u>\$ 142</u>	<u>\$ 14,435</u>	<u>\$ -</u>	<u>\$ 821</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 10,100</u>	<u>\$ 376</u>	<u>\$ 142</u>	<u>\$ 14,435</u>	<u>\$ -</u>	<u>\$ 821</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 10,100</u>	<u>\$ 376</u>	<u>\$ 142</u>	<u>\$ 14,435</u>	<u>\$ -</u>	<u>\$ 821</u>	<u>\$ -</u>

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

WEST WASHINGTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Drug Free 07/08	Medicare Reimbursement Federal	Title II Part A 05/06 CSRD	Title II Part D SY 06/07	Retirement/ Severance Bond Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 227,436	\$ 447,155
Intermediate sources	-	-	-	-	-	262
State sources	-	-	-	-	-	110,486
Federal sources	2,252	-	-	61,400	-	477,692
Interfund loans	1,152	-	-	954	184,181	348,886
Total receipts	3,404	-	-	62,354	411,617	1,384,481
Disbursements:						
Current:						
Instruction	-	-	7,277	52,118	-	335,313
Support services	3,404	-	-	-	-	558,432
Community services	-	-	-	-	-	1,332
Nonprogrammed charges	-	-	-	-	-	75,781
Debt services	-	-	-	-	226,713	226,713
Interfund loans	-	-	-	954	183,183	339,568
Total disbursements	3,404	-	7,277	53,072	409,896	1,537,139
Excess (deficiency) of receipts over disbursements	-	-	(7,277)	9,282	1,721	(152,658)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	105,646
Transfers out	-	-	-	-	(1,721)	(91,208)
Total other financing sources (uses)	-	-	-	-	(1,721)	14,438
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(7,277)	9,282	-	(138,220)
Cash and investments - beginning	-	13,613	7,277	-	-	206,751
Cash and investments - ending	\$ -	\$ 13,613	\$ -	\$ 9,282	\$ -	\$ 68,531
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 13,613	\$ -	\$ 9,282	\$ -	\$ 68,531
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ 13,613	\$ -	\$ 9,282	\$ -	\$ 68,531

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

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

	<u>Phi Delta Kappa/Lilly</u>	<u>West Washington Jr/Sr High E. Gravett Fund</u>	<u>Scholarship Fund</u>	<u>Totals</u>
Additions:				
Contributions	\$ -	\$ -	\$ 15,343	\$ 15,343
Deductions:				
Administrative and general	<u>-</u>	<u>-</u>	<u>16,683</u>	<u>16,683</u>
Deficiency of total additions over total deductions	-	-	(1,340)	(1,340)
Cash and investment fund balance - beginning	<u>3,589</u>	<u>936</u>	<u>12,816</u>	<u>17,341</u>
Cash and investments - June 30	<u>\$ 3,589</u>	<u>\$ 936</u>	<u>\$ 11,476</u>	<u>\$ 16,001</u>
Net assets:				
Cash and investments	<u>\$ 3,589</u>	<u>\$ 936</u>	<u>\$ 11,476</u>	<u>\$ 16,001</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,589</u>	<u>\$ 936</u>	<u>\$ 11,476</u>	<u>\$ 16,001</u>

WEST WASHINGTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Phi Delta Kappa/Lilly	West Washington Jr/Sr High E. Gravett Fund	Scholarship Fund	Totals
Additions:				
Contributions	\$ -	\$ -	\$ 19,002	\$ 19,002
Deductions:				
Administrative and general	-	-	18,065	18,065
Excess of total additions over total deductions	-	-	937	937
Cash and investment fund balance - beginning	3,589	936	11,476	16,001
Cash and investments - June 30	<u>\$ 3,589</u>	<u>\$ 936</u>	<u>\$ 12,413</u>	<u>\$ 16,938</u>
Net assets:				
Cash and investments	<u>\$ 3,589</u>	<u>\$ 936</u>	<u>\$ 12,413</u>	<u>\$ 16,938</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,589</u>	<u>\$ 936</u>	<u>\$ 12,413</u>	<u>\$ 16,938</u>

WEST WASHINGTON SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

June 30, 2008

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.

General infrastructure assets completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 157,785
Infrastructure	6,368,712
Buildings	13,391,149
Improvements other than buildings	688,693
Machinery and equipment	403,405
Transportation equipment	<u>1,153,774</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 22,163,518</u>

WEST WASHINGTON SCHOOL CORPORATION
 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
Capital leases:		
QZAB No.1	\$ 1,087,150	\$ 127,900
QZAB No.2	1,192,482	130,524
QZAB No.3	1,129,362	118,880
QZAB No.4	887,458	69,266
Equipment lease	21,547	22,169
Notes and loans payable:		
2001 Common school loan	832,454	129,572
2005 Common school loan	5,584,970	469,137
Bonds payable:		
General obligation bonds:		
Pension bonds of 2004	<u>1,930,000</u>	<u>226,688</u>
Total long-term debt	<u>\$ 12,665,423</u>	<u>\$ 1,294,136</u>

WEST WASHINGTON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Preschool Special Education	2006	\$ 11,000
Transportation Operating	2006	14,960

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PERSONAL EXPENSES (Applies to West Washington Jr/Sr High School)

The Extra-Curricular Athletic Fund paid entry fees to charity golf scrambles on two different occasions during the audit period. On May 3, 2007, \$500 was disbursed for ten individuals to participate in a golf scramble and on September 28, 2007, \$600 was disbursed for twelve individuals to participate in golf scramble. These entry fees were paid on behalf of these in lieu of payment for working various athletic events. The charity golf scrambles were not School Corporation events.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

WEST WASHINGTON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 11)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TEXTBOOK RENTAL RECEIPTS (Applies to West Washington Elementary School and West Washington Jr/Sr High School)

Some textbook rental receipts selected for testing did not document classification (cash, check, etc.) of money collected. Additionally, some daily collections were deposited timely, but deposit tickets were held for over seven days and not remitted to the Corporation Treasurer for timely recording.

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

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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

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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 WEST WASHINGTON SCHOOL
CORPORATION, WASHINGTON COUNTY, INDIANA

Compliance

We have audited the compliance of the West Washington School Corporation (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, 2007 and 2008. 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, 2007 and 2008. 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 item 2008-1.

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 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.

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)

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.

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.

Our consideration of the internal control over compliance 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 compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The School Corporation's response to the findings identified in our audit is described in the accompanying 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, the West Washington School Board of Trustees, 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

April 22, 2009

WEST WASHINGTON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 59,927	\$ 59,296
National School Lunch Program	10.555		<u>154,232</u>	<u>145,859</u>
Total for federal grantor agency			<u>214,159</u>	<u>205,155</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
SY 2006-2007	84.010	07-8220	178,125	18,951
SY 2007-2008		08-8220	<u>-</u>	<u>267,165</u>
Total for program			<u>178,125</u>	<u>286,116</u>
Safe and Drug-Free Schools and Communities - State Grants				
Title IV, Part A P.L. 107-110, SY05-06	84.186	05-032	4,320	-
Title IV, Part A P.L. 107-110, SY06-07		8220-06	4,596	-
Title IV, Part A P.L. 107-110, SY07-08		8220-07	<u>-</u>	<u>3,404</u>
Total for program			<u>8,916</u>	<u>3,404</u>
State Grants for Innovative Programs				
Title V, Part A - SY05-06	84.298	05-078	5	-
Title V ESEA, P.L. 107-110, SY06-07		06-8220	885	892
Title V ESEA, P.L. 107-110, SY07-08		07-8220	<u>-</u>	<u>821</u>
Total for program			<u>890</u>	<u>1,713</u>
Education Technology State Grants				
Title II, Part D - SY02-03	84.318		<u>2,783</u>	<u>-</u>
Improving Teacher Quality State Grants				
Title II, Part A - SY04-05	84.367	04-078	2,864	-
Title II, Part A - SY05-06		05-155	52,959	7,277
Title II, Part A - SY06-07		06-8220	<u>-</u>	<u>52,118</u>
Total for program			<u>55,823</u>	<u>59,395</u>
Hurricane Education Recovery				
Hurricane Katrina Temporary Relief	84.938		<u>4,500</u>	<u>-</u>
Total for federal grantor agency			<u>251,037</u>	<u>350,628</u>
Total federal awards expended			<u>\$ 465,196</u>	<u>\$ 555,783</u>

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

WEST WASHINGTON SCHOOL CORPORATION
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 West Washington School Corporation (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, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 4,672	\$ 4,786
National School Lunch Program	10.555	11,953	11,686

WEST WASHINGTON SCHOOL CORPORATION
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
 Significant deficiencies 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
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

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	Child Nutrition 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.

WEST WASHINGTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-1, CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers: 07-8220 and 08-8220
Pass-Through Entity: Indiana Department of Education

The School Corporation maintained cash balances in excess of current needs for several of the months reviewed during the audit period.

EDGAR 80.20(b)(7) states in part: "Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed whenever advance payment procedures are used . . . Grantees must monitor cash draw downs by their sub-grantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

The Cash Request Form states: "As pursuant to the Cash Management Improvement Act of 1990, we hereby certify that procedures have been put into place, which minimize the time elapsing between receipt of funds requested above and their subsequent disbursement."

Failure to adhere to the cash management requirements could cause the School Corporation to be deemed ineligible to receive federal awards in the future.

We recommended that the School Corporation design and properly monitor procedures that would ensure that federal funds be disbursed in a timely manner.

WEST WASHINGTON SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

West Washington School Corporation



9699 West Mt. Tabor Road
Campbellsburg, IN 47108
Phone 812-755-4872 • Fax 812-755-4843



Gerald W. Jackson, Superintendent
Terry Nesmith, Treasurer

Carol Hoar, Corporate Secretary
Barb Davis, Payroll Clerk

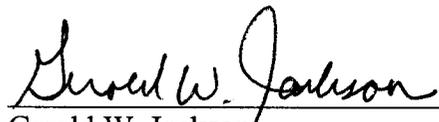
Corrective Action Plan

Finding No. 2008.1 Title 1 Cash Management

Federal Agency: U.S. Department of Education
Federal Program: Title 1 Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers: 07-8220 and 08-8220
Pass-through Entity: Indiana Department of Education
Expected Completion Date: June 30, 2010

Corrective Action:

NLCS has begun with the 2009-2010 school year to complete the Indiana DOE form "Project Cash Request" for the various Title 1 grant, specifying varying amounts per Month based on anticipated cash needs. Further, in compliance with new Indiana DOE Regulations, the "Quarterly Project Expenditures Report" for IDEA is being submitted.


Gerald W. Jackson
Superintendent

April 22, 2009
Date

WEST WASHINGTON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 22, 2009, with Gerald W. Jackson, Superintendent of Schools; Rick D. Roberts, President of the School Board; Terry L. Nesmith, Treasurer; Barb Davis, Deputy Treasurer; Paul D. Stroud, Jr./Sr. High School Principal; Karen Roll, Jr./Sr. High School Extra-Curricular Treasurer; and Janet K. Adkins, Elementary School Extra-Curricular Treasurer. The officials concurred with our audit findings.