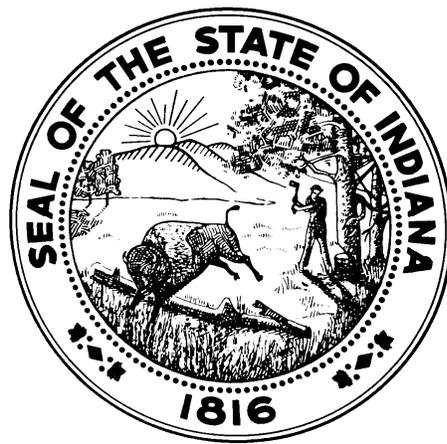


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
EASTERN GREENE SCHOOLS
GREENE COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
06/11/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Nolting	07-01-06 to 12-31-09
Superintendent of Schools	Randy C. Barrett Thomas T. Mungle	07-01-06 to 06-30-08 07-01-08 to 06-30-09
President of the School Board	Andrew Brough Kimberly Waldrige Pat Arthur Lane Corbin	01-01-06 to 12-31-06 01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastern Greene Schools (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 21, 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.

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

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

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 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, 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 Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 21, 2009



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastern Greene Schools (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 21, 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.

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 School Board, 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 21, 2009

EASTERN GREENE 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	\$ 5,932,501	\$ -	\$ 47,591	\$ (5,884,910)
Support services	3,644,075	333,915	266,538	(3,043,622)
Community services	157,230	-	-	(157,230)
Nonprogrammed charges	343,289	-	-	(343,289)
Debt service	<u>6,580,834</u>	<u>-</u>	<u>-</u>	<u>(6,580,834)</u>
 Total government	 <u>\$ 16,657,929</u>	 <u>\$ 333,915</u>	 <u>\$ 314,129</u>	 <u>(16,009,885)</u>
 General receipts:				
Property taxes				1,638,702
Other local sources				363,730
State aid				6,414,852
Bonds and loans				5,831,652
Grants and contributions not restricted to specific programs				390,845
Sale of property, adjustments, and refunds				81,754
Investment earnings				<u>35,429</u>
 Total general receipts				 <u>14,756,964</u>
 Change in net assets				 (1,252,921)
 Net assets - beginning				 <u>3,566,332</u>
 Net assets - ending				 <u>\$ 2,313,411</u>
 <u>Assets</u>				
 Cash and investments				 <u>\$ 2,313,411</u>
 <u>Net Assets</u>				
 Unrestricted				 <u>\$ 2,313,411</u>

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

EASTERN GREENE 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>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 5,981,261	\$ -	\$ 124,080	\$ (5,857,181)
Support services	4,275,856	338,583	292,509	(3,644,764)
Community services	153,000	-	-	(153,000)
Nonprogrammed charges	307,256	-	-	(307,256)
Debt service	4,467,166	-	-	(4,467,166)
Total government	<u>\$ 15,184,539</u>	<u>\$ 338,583</u>	<u>\$ 416,589</u>	<u>(14,429,367)</u>
General receipts:				
Property taxes				2,424,948
Other local sources				756,243
State aid				7,024,674
Bonds and loans				3,588,348
Grants and contributions not restricted to specific programs				344,363
Investment earnings				28,981
Total general receipts				<u>14,167,557</u>
Change in net assets				(261,810)
Net assets - beginning				<u>2,313,411</u>
Net assets - ending				<u>\$ 2,051,601</u>
<u>Assets</u>				
Cash and investments				\$ 2,007,747
Restricted assets:				
Cash and investments				43,854
Total assets				<u>\$ 2,051,601</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 43,854
Unrestricted				2,007,747
Total net assets				<u>\$ 2,051,601</u>

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

EASTERN GREENE 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	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Rural Development	Other	Totals
Receipts:										
Local sources	\$ 752,543	\$ 435,235	\$ -	\$ 320,721	\$ 318,203	\$ 53,073	\$ -	\$ -	\$ 492,001	\$ 2,371,776
State sources	6,459,590	-	-	-	-	-	-	-	145,411	6,605,001
Federal sources	-	-	-	-	-	-	-	-	514,824	514,824
Bonds and loans	-	-	-	-	-	-	5,411,652	420,000	-	5,831,652
Sale of property, adjustments and refunds	-	1,559	-	-	80,196	-	-	-	-	81,755
Total receipts	7,212,133	436,794	-	320,721	398,399	53,073	5,411,652	420,000	1,152,236	15,405,008
Disbursements:										
Current:										
Instruction	5,582,109	-	-	-	-	-	-	-	350,392	5,932,501
Support services	1,759,213	848,652	-	-	449,298	(45,721)	-	-	632,633	3,644,075
Community services	146,068	-	-	-	-	-	-	-	11,162	157,230
Nonprogrammed charges	343,289	-	-	-	-	-	-	-	-	343,289
Debt services	-	-	650,000	568,018	-	-	5,168,797	-	194,019	6,580,834
Total disbursements	7,830,679	848,652	650,000	568,018	449,298	(45,721)	5,168,797	-	1,188,206	16,657,929
Excess (deficiency) of receipts over disbursements	(618,546)	(411,858)	(650,000)	(247,297)	(50,899)	98,794	242,855	420,000	(35,970)	(1,252,921)
Other financing sources (uses):										
Transfers in	28,172	109,662	100,000	-	-	-	-	-	-	237,834
Transfers out	-	-	-	(109,662)	-	(28,172)	-	-	(100,000)	(237,834)
Total other financing sources (uses)	28,172	109,662	100,000	(109,662)	-	(28,172)	-	-	(100,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(590,374)	(302,196)	(550,000)	(356,959)	(50,899)	70,622	242,855	420,000	(135,970)	(1,252,921)
Cash and investments - beginning	1,885,573	165,424	960,000	396,591	168,526	-	(465,376)	-	455,594	3,566,332
Cash and investments - ending	<u>\$ 1,295,199</u>	<u>\$ (136,772)</u>	<u>\$ 410,000</u>	<u>\$ 39,632</u>	<u>\$ 117,627</u>	<u>\$ 70,622</u>	<u>\$ (222,521)</u>	<u>\$ 420,000</u>	<u>\$ 319,624</u>	<u>\$ 2,313,411</u>
Cash and Investment Assets - Ending										
Cash and investments	\$ 1,295,199	\$ (136,772)	\$ 410,000	\$ -	\$ 117,627	\$ 70,622	\$ (222,521)	\$ 420,000	\$ 381,102	\$ 2,335,257
Restricted assets:										
Cash and investments	-	-	-	39,632	-	-	-	-	(61,478)	(21,846)
Total cash and investment assets - ending	\$ 1,295,199	\$ (136,772)	\$ 410,000	\$ 39,632	\$ 117,627	\$ 70,622	\$ (222,521)	\$ 420,000	\$ 319,624	\$ 2,313,411
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ 39,632	\$ -	\$ -	\$ -	\$ -	\$ (61,478)	\$ (21,846)
Unrestricted	1,295,199	(136,772)	410,000	-	117,627	70,622	(222,521)	420,000	381,102	2,335,257
Total cash and investment fund balance - ending	\$ 1,295,199	\$ (136,772)	\$ 410,000	\$ 39,632	\$ 117,627	\$ 70,622	\$ (222,521)	\$ 420,000	\$ 319,624	\$ 2,313,411

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

EASTERN GREENE 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	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Rural Development	Other	Totals
Receipts:										
Local sources	\$ 1,170,105	\$ 820,732	\$ -	\$ 500,871	\$ 525,295	\$ 3,194	\$ -	\$ -	\$ 528,559	\$ 3,548,756
State sources	7,117,419	-	-	-	-	-	-	-	192,689	7,310,108
Federal sources	-	-	-	-	-	-	-	-	475,518	475,518
Bonds and loans	-	-	-	-	-	-	3,588,347	-	-	3,588,347
Total receipts	8,287,524	820,732	-	500,871	525,295	3,194	3,588,347	-	1,196,766	14,922,729
Disbursements:										
Current:										
Instruction	5,612,002	-	-	-	-	-	-	-	369,259	5,981,261
Support services	2,416,215	844,690	-	-	202,595	95,117	-	-	717,239	4,275,856
Community services	142,255	-	-	-	-	-	-	-	10,745	153,000
Nonprogrammed charges	307,119	-	-	-	-	-	-	-	137	307,256
Debt services	-	-	-	496,649	-	-	3,365,826	404,620	200,071	4,467,166
Total disbursements	8,477,591	844,690	-	496,649	202,595	95,117	3,365,826	404,620	1,297,451	15,184,539
Excess (deficiency) of receipts over disbursements	(190,067)	(23,958)	-	4,222	322,700	(91,923)	222,521	(404,620)	(100,685)	(261,810)
Other financing sources (uses):										
Transfers in	-	100,577	891,491	-	-	21,301	-	-	86,263	1,099,632
Transfers out	(1,099,632)	60,153	(60,153)	-	-	-	-	-	-	(1,099,632)
Total other financing sources (uses)	(1,099,632)	160,730	831,338	-	-	21,301	-	-	86,263	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,289,699)	136,772	831,338	4,222	322,700	(70,622)	222,521	(404,620)	(14,422)	(261,810)
Cash and investments - beginning	1,295,199	(136,772)	410,000	39,632	117,627	70,622	(222,521)	420,000	319,624	2,313,411
Cash and investments - ending	\$ 5,500	\$ -	\$ 1,241,338	\$ 43,854	\$ 440,327	\$ -	\$ -	\$ 15,380	\$ 305,202	\$ 2,051,601
<u>Cash and Investment Assets - Ending</u>										
Cash and investments	\$ 5,500	\$ -	\$ 1,241,338	\$ -	\$ 440,327	\$ -	\$ -	\$ 15,380	\$ 305,202	\$ 2,007,747
Restricted assets:										
Cash and investments	-	-	-	43,854	-	-	-	-	-	43,854
Total cash and investment assets - ending	\$ 5,500	\$ -	\$ 1,241,338	\$ 43,854	\$ 440,327	\$ -	\$ -	\$ 15,380	\$ 305,202	\$ 2,051,601
<u>Cash and Investment Fund Balance - Ending</u>										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ 43,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,854
Unrestricted	5,500	-	1,241,338	-	440,327	-	-	15,380	305,202	2,007,747
Total cash and investment fund balance - ending	\$ 5,500	\$ -	\$ 1,241,338	\$ 43,854	\$ 440,327	\$ -	\$ -	\$ 15,380	\$ 305,202	\$ 2,051,601

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 175,743	\$ -	
Other	-	1,426	
Total additions	175,743	1,426	
Deductions:			
Administrative and general	235,075	3,689	
Total deductions	235,075	3,689	
Deficiency of total additions over total deductions	(59,332)	(2,263)	
Cash and investment fund balance - beginning	175,743	12,972	
Cash and investment fund balance - ending	\$ 116,411	\$ 10,709	\$ (160,505)
Net assets:			
Cash and investments	\$ 116,411	\$ 10,709	
Total net assets - cash and investment basis held in trust	\$ 116,411	\$ 10,709	

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 10,156	\$ -	
Other	-	2,985	
Total additions	10,156	2,985	
Deductions:			
Benefits	126,567	-	
Administrative and general	-	471	
Total deductions	126,567	471	
Excess (deficiency) of total additions over total deductions	(116,411)	2,514	
Cash and investment fund balance - beginning	116,411	10,709	
Cash and investment fund balance - ending	\$ -	\$ 13,223	\$ (151,230)
Net assets:			
Cash and investments	\$ -	\$ 13,223	
Total net assets - cash and investment basis held in trust	\$ -	\$ 13,223	

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

EASTERN GREENE 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 primary government, Eastern Greene Schools.

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

Joint Venture

The primary government is a participant with 4 other school corporations in a joint venture to operate Hoosier Hills Area Vocational School which was created to provide vocational education. The Vocational School's continued existence depends on continued funding by the primary government. The primary government is obligated for the debts of the Vocational School. Complete financial statements for the Vocational School can be obtained from Monroe County Community School Corporation, 315 E. North Drive, Bloomington, IN 47401.

The primary government is a participant with 6 other school corporations in a joint venture to operate Orange, Lawrence, Jackson, Martin and Greene Joint Services which was created to provide instruction for handicapped children. Complete financial statements for the Orange, Lawrence, Jackson, Martin and Greene Joint Services can be obtained from the joint venture's administrative offices at 1401 15th Street, Bedford, IN 47421.

The primary government is a participant with 39 other school corporations in a joint venture to operate the Southern Indiana Education Center (SIEC) which was created to operate and maintain an educational service center in order to allow participating school corporations to cooperate and share certain programs and services. The primary government is obligated by contract to remit annually a fee for membership in an amount determined by the governing board of the SIEC. The SIEC's continued existence depends on continued funding by the member School Corporations. The member School Corporations are obligated for the debts of SIEC. Complete financial statements for the SIEC can be obtained from Southwest Dubois County School Corporation, 113 Jackson Street, Huntingburg, IN 47542.

The primary government is a participant with 10 other school corporations in a joint venture to operate the Southern Indiana School Trust which was created to provide a program of group insurance. Complete financial statements for the Southern Indiana School Trust can be obtained from Peggy Neukam, FEA, Southern Indiana Education Center, 1102 Tree Lane Drive, P.O. Box 330, Jasper, IN 47547-0330.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government is a participant with 6 other school corporations in a joint venture to operate the Hoosier Heartland School Trust which was created to provide a program of group insurance. Complete financial statements for the Hoosier Heartland School Trust can be obtained from Hoosier Heartland School Trust, 5448 W. SR 256, Madison, IN 47250.

The primary government is a participant with 21 other school corporations in a joint venture to operate the Educational Service Center Risk Financing Trust (ESCRFT) which was created to provide a program of group insurance. Complete financial statements for the Educational Service Center Risk Financing Trust can be obtained from the joint venture's administrative offices at 107 N Walnut St., Columbia City, IN 46725.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Bloomfield-Eastern Greene County Library Board.

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 statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

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 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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 to account for transfers of unused and unencumbered funds in accordance with Indiana Code 36-1-8-5 and a locally adopted resolution. The fund is subject to the same appropriation process as funds that receive tax money.

The construction fund is used to account for expenses related to the common school loan for the new high school construction project.

The rural development fund is used to account for expenses related to the new high school construction.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the pension bonds, which accumulate resources for pension benefit payments.

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

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

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund 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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. 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 fund 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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance.

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 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 Cash and Investments and the Statement of Cash Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007	2008
Transportation Operating	\$ (136,772)	\$ -
Construction	(222,521)	-
Title I	(2,835)	(2,835)
Cape Grant	(10,143)	(11,356)
Project Lead the Way	(578)	(2,245)
Retirement/Severance Bond Fund	(61,478)	-
School Lunch	-	(23,022)
Title I, School Improvement	-	(15,370)
Drug Free Schools	-	(63)
FY 07-08 Project Lead the Way	-	(371)
Temporary Loan	(177,647)	(177,647)

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

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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

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.

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	Transportation	\$ -	\$ 100,577
	Rainy Day	-	891,491
	Debt Service	-	86,263
	School Bus Replacement	-	21,301
School Bus Replacement	General Fund	28,172	-
Debt Service	Transportation	109,662	-
Other governmental funds	Rainy Day	100,000	-
Totals		<u>\$ 237,834</u>	<u>\$ 1,099,632</u>

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

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

Medical Benefits to Employees, Retirees, and Dependents (Excluding Postemployment Benefits)

During 1999, the School Corporation joined with other governmental entities to form the Hoosier Heartland School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 7 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees, and dependents (excluding postemployment benefits). The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured's lifetime.

Dental, Vision, Life and Long-Term Disability Insurance

During 1990, the School Corporation joined with other governmental entities to form the Southern Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 11 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of dental, vision, life, and long-term disability insurance. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members.

Torts, Destruction of Assets, Errors and Omissions, Worker's Compensation and Natural Disasters

During 2008, the School Corporation joined with other governmental entities in the Educational Service Center Risk Financing Trust, a public entity risk pool currently operating as a common risk management and insurance program for 22 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of insurance coverage for torts, destruction of assets, errors and omissions, worker's compensation and natural disasters. The School Corporation pays an annual premium to the risk pool for its torts, destruction of assets, errors and omissions, worker's compensation and natural disasters coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per insured event.

B. Holding Corporation

The School Corporation has entered into a capital lease with Eastern Greene Schools 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 a new high school building for lease to the School Corporation.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. Currently, 11 retirees meet these eligibility requirements. The School Corporation and retirees provide 86% and 14%, respectively, of these postemployment benefits for a single plan. The School Corporation and retirees provide 82% and 18%, respectively, of these postemployment benefits for a family plan. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

D. Pension Plans

1. 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

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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2008, 2007, and 2006, were \$200,891, \$180,338, and \$155,470, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

2. Defined Contribution Pension Plan

Group Retirement Annuity

Plan Description

The School Corporation has a defined contribution pension plan administered by American United Life Insurance Company as authorized by Indiana Code 5-10.2-2-1. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. 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:

American United Life Insurance Co.
One American Square
P.O. Box 368
Indianapolis, IN 46206-0368
Ph. (317)-285-1877

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Plan Administrator. Plan members are required to contribute 3% of the annual covered salary. The School Corporation is required to contribute at an actuarially determined rate. The current rate is 3% the first year and 6%, thereafter, of annual covered payroll. Employer and employee contributions to the plan for the fiscal years ended June 30, 2007 and 2008, were \$108,037 and \$95,579, respectively.

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Early Intervention	Tobacco Settlement
Receipts:						
Local sources	\$ 2,057	\$ 249,346	\$ 64,164	\$ -	\$ -	\$ -
State sources	69,370	5,651	26,492	-	31,252	-
Federal sources	-	224,901	-	-	-	-
Total receipts	71,427	479,898	90,656	-	31,252	-
Disbursements:						
Current:						
Instruction	48,026	-	-	-	31,252	-
Support services	-	494,298	114,252	-	-	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	48,026	494,298	114,252	-	31,252	-
Excess (deficiency) of receipts over disbursements	23,401	(14,400)	(23,596)	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(100,000)	-	-	-	-	-
Total other financing sources (uses)	(100,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(76,599)	(14,400)	(23,596)	-	-	-
Cash and investments - beginning	144,624	61,658	54,786	101,175	-	3,210
Cash and investments - ending	\$ 68,025	\$ 47,258	\$ 31,190	\$ 101,175	\$ -	\$ 3,210
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 68,025	\$ 47,258	\$ 31,190	\$ 101,175	\$ -	\$ 3,210
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 68,025	\$ 47,258	\$ 31,190	\$ 101,175	\$ -	\$ 3,210
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	68,025	47,258	31,190	101,175	-	3,210
Total cash and investment fund balance - ending	\$ 68,025	\$ 47,258	\$ 31,190	\$ 101,175	\$ -	\$ 3,210

EASTERN GREENE 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)

	Tobacco Grant	FY 05/06 Gifted and Talented Grant	FY 06/07 Gifted and Talented Grant	Caitlin Memorial Fund	High Flyers Grant	Non English Speaking Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 333	\$ -
State sources	-	-	12,646	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	-	12,646	-	333	-
Disbursements:						
Current:						
Instruction	-	6,096	8,255	11	-	-
Support services	-	-	-	-	333	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	6,096	8,255	11	333	-
Excess (deficiency) of receipts over disbursements	-	(6,096)	4,391	(11)	-	-
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	-	(6,096)	4,391	(11)	-	-
Cash and investments - beginning	500	6,096	-	7,566	-	22
Cash and investments - ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 4,391</u>	<u>\$ 7,555</u>	<u>\$ -</u>	<u>\$ 22</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 500	\$ -	\$ 4,391	\$ 7,555	\$ -	\$ 22
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 4,391</u>	<u>\$ 7,555</u>	<u>\$ -</u>	<u>\$ 22</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	500	-	4,391	7,555	-	22
Total cash and investment fund balance - ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 4,391</u>	<u>\$ 7,555</u>	<u>\$ -</u>	<u>\$ 22</u>

EASTERN GREENE 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)

	FY 03/04 Title I	FY 04/05 Title I	FY 05/06 Title I	FY 06/07 Title I	FY 04-06 Innovative Education Grant	FY 05-07 Innovative Education Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	30,000	186,828	6,974	4,596
Total receipts	-	-	30,000	186,828	6,974	4,596
Disbursements:						
Current:						
Instruction	-	-	40,779	146,630	6,974	3,716
Support services	-	-	-	-	-	-
Community services	-	-	409	250	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	41,188	146,880	6,974	3,716
Excess (deficiency) of receipts over disbursements	-	-	(11,188)	39,948	-	880
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	-	-	(11,188)	39,948	-	880
Cash and investments - beginning	19,642	(2,835)	11,795	-	-	-
Cash and investments - ending	<u>\$ 19,642</u>	<u>\$ (2,835)</u>	<u>\$ 607</u>	<u>\$ 39,948</u>	<u>\$ -</u>	<u>\$ 880</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 19,642	\$ (2,835)	\$ 607	\$ 39,948	\$ -	\$ 880
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 19,642</u>	<u>\$ (2,835)</u>	<u>\$ 607</u>	<u>\$ 39,948</u>	<u>\$ -</u>	<u>\$ 880</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	19,642	(2,835)	607	39,948	-	880
Total cash and investment fund balance - ending	<u>\$ 19,642</u>	<u>\$ (2,835)</u>	<u>\$ 607</u>	<u>\$ 39,948</u>	<u>\$ -</u>	<u>\$ 880</u>

EASTERN GREENE 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)

	FY 06/08 Innovative Education Grant	FY 05/06 Drug Free Schools	FY 06/07 Drug Free Schools	FY 07/08 Drug Free Schools	Cape Grant	Project Lead The Way
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 39,017	\$ -
State sources	-	-	-	-	-	-
Federal sources	2,372	7,027	7,159	5,403	-	-
Total receipts	2,372	7,027	7,159	5,403	39,017	-
Disbursements:						
Current:						
Instruction	-	-	2,937	-	45,839	578
Support services	-	-	4,222	-	-	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	7,159	-	45,839	578
Excess (deficiency) of receipts over disbursements	2,372	7,027	-	5,403	(6,822)	(578)
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	2,372	7,027	-	5,403	(6,822)	(578)
Cash and investments - beginning	-	-	-	-	(3,321)	-
Cash and investments - ending	\$ 2,372	\$ 7,027	\$ -	\$ 5,403	\$ (10,143)	\$ (578)
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,372	\$ 7,027	\$ -	\$ 5,403	\$ (10,143)	\$ (578)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,372	\$ 7,027	\$ -	\$ 5,403	\$ (10,143)	\$ (578)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,372	7,027	-	5,403	(10,143)	(578)
Total cash and investment fund balance - ending	\$ 2,372	\$ 7,027	\$ -	\$ 5,403	\$ (10,143)	\$ (578)

EASTERN GREENE 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)

	FY 04/06 Improving Teacher Quality	FY 05/07 Improving Teacher Quality	Hutton Scholarship Fund	Retirement/ Severance Bond Fund	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 12,000	\$ 125,084	\$ 492,001
State sources	-	-	-	-	145,411
Federal sources	-	39,564	-	-	514,824
Total receipts	-	39,564	12,000	125,084	1,152,236
Disbursements:					
Current:					
Instruction	9,299	-	-	-	350,392
Support services	19,528	-	-	-	632,633
Community services	-	-	10,503	-	11,162
Debt services	-	-	-	194,019	194,019
Total disbursements	28,827	-	10,503	194,019	1,188,206
Excess (deficiency) of receipts over disbursements	(28,827)	39,564	1,497	(68,935)	(35,970)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(100,000)
Total other financing sources (uses)	-	-	-	-	(100,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,827)	39,564	1,497	(68,935)	(135,970)
Cash and investments - beginning	28,827	-	14,392	7,457	455,594
Cash and investments - ending	\$ -	\$ 39,564	\$ 15,889	\$ (61,478)	\$ 319,624
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 39,564	\$ 15,889	\$ -	\$ 381,102
Restricted assets:					
Cash and investments	-	-	-	(61,478)	(61,478)
Total cash and investment assets - ending	\$ -	\$ 39,564	\$ 15,889	\$ (61,478)	\$ 319,624
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ (61,478)	\$ (61,478)
Unrestricted	-	39,564	15,889	-	381,102
Total cash and investment fund balance - ending	\$ -	\$ 39,564	\$ 15,889	\$ (61,478)	\$ 319,624

EASTERN GREENE 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	School Lunch	Textbook Rental	Levy Excess	Early Intervention	Tobacco Settlement	Tobacco Grant
Receipts:							
Local sources	\$ 3,382	\$ 263,290	\$ 52,601	\$ -	\$ -	\$ -	\$ -
State sources	43,413	-	78,646	-	39,295	-	-
Federal sources	-	213,863	-	-	-	-	-
Total receipts	46,795	477,153	131,247	-	39,295	-	-
Disbursements:							
Current:							
Instruction	71,599	-	-	-	37,696	900	-
Support services	5,146	547,433	102,454	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	38	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	76,783	547,433	102,454	-	37,696	900	-
Excess (deficiency) of receipts over disbursements	(29,988)	(70,280)	28,793	-	1,599	(900)	-
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	(29,988)	(70,280)	28,793	-	1,599	(900)	-
Cash and investments - beginning	68,025	47,258	31,190	101,175	-	3,210	500
Cash and investments - ending	<u>\$ 38,037</u>	<u>\$ (23,022)</u>	<u>\$ 59,983</u>	<u>\$ 101,175</u>	<u>\$ 1,599</u>	<u>\$ 2,310</u>	<u>\$ 500</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 38,037	\$ (23,022)	\$ 59,983	\$ 101,175	\$ 1,599	\$ 2,310	\$ 500
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 38,037</u>	<u>\$ (23,022)</u>	<u>\$ 59,983</u>	<u>\$ 101,175</u>	<u>\$ 1,599</u>	<u>\$ 2,310</u>	<u>\$ 500</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	38,037	(23,022)	59,983	101,175	1,599	2,310	500
Total cash and investment fund balance - ending	<u>\$ 38,037</u>	<u>\$ (23,022)</u>	<u>\$ 59,983</u>	<u>\$ 101,175</u>	<u>\$ 1,599</u>	<u>\$ 2,310</u>	<u>\$ 500</u>

EASTERN GREENE 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)

	FY 06/07 Gifted and Talented Grant	FY 07/08 Gifted and Talented Grant	Caitlin Memorial Fund	High Flyers Grant	Non English Speaking Grant	FY 03/04 Title I
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	31,335	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>31,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	4,258	26,289	23	-	-	-
Support services	-	-	-	-	-	-
Community services	-	-	113	-	-	-
Nonprogrammed charges	-	-	99	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>4,258</u>	<u>26,289</u>	<u>235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(4,258)</u>	<u>5,046</u>	<u>(235)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<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>(4,258)</u>	<u>5,046</u>	<u>(235)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>4,391</u>	<u>-</u>	<u>7,555</u>	<u>-</u>	<u>22</u>	<u>19,642</u>
Cash and investments - ending	<u>\$ 133</u>	<u>\$ 5,046</u>	<u>\$ 7,320</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 19,642</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 133	\$ 5,046	\$ 7,320	\$ -	\$ 22	\$ 19,642
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 133</u>	<u>\$ 5,046</u>	<u>\$ 7,320</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 19,642</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	<u>133</u>	<u>5,046</u>	<u>7,320</u>	<u>-</u>	<u>22</u>	<u>19,642</u>
Total cash and investment fund balance - ending	<u>\$ 133</u>	<u>\$ 5,046</u>	<u>\$ 7,320</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 19,642</u>

EASTERN GREENE 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)

	FY 04/05 Title I	FY 05/06 Title I	FY 06/07 Title I	FY 07/08 Title I	FY 07/08 Title I School Improvement	FY 05/07 Innovative Education Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	26,518	155,620	-	-
Total receipts	-	-	26,518	155,620	-	-
Disbursements:						
Current:						
Instruction	-	-	40,380	138,301	15,370	880
Support services	-	-	-	-	-	-
Community services	-	-	-	132	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	40,380	138,433	15,370	880
Excess (deficiency) of receipts over disbursements	-	-	(13,862)	17,187	(15,370)	(880)
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	-	-	(13,862)	17,187	(15,370)	(880)
Cash and investments - beginning	(2,835)	607	39,948	-	-	880
Cash and investments - ending	<u>\$ (2,835)</u>	<u>\$ 607</u>	<u>\$ 26,086</u>	<u>\$ 17,187</u>	<u>\$ (15,370)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (2,835)	\$ 607	\$ 26,086	\$ 17,187	\$ (15,370)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (2,835)</u>	<u>\$ 607</u>	<u>\$ 26,086</u>	<u>\$ 17,187</u>	<u>\$ (15,370)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	(2,835)	607	26,086	17,187	(15,370)	-
Total cash and investment fund balance - ending	<u>\$ (2,835)</u>	<u>\$ 607</u>	<u>\$ 26,086</u>	<u>\$ 17,187</u>	<u>\$ (15,370)</u>	<u>\$ -</u>

EASTERN GREENE 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)

	FY 06/08 Innovative Education Grant	FY 06/07 Drug Free Schools	FY 07/08 Drug Free Schools	Cape Grant	Project Lead The Way	FY 07/08 Project Lead The Way
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 5,000
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	-	-	-	16,000	5,000
Disbursements:						
Current:						
Instruction	2,372	-	-	1,213	14,467	5,371
Support services	-	7,090	2,492	-	3,200	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,372	7,090	2,492	1,213	17,667	5,371
Excess (deficiency) of receipts over disbursements	(2,372)	(7,090)	(2,492)	(1,213)	(1,667)	(371)
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	(2,372)	(7,090)	(2,492)	(1,213)	(1,667)	(371)
Cash and investments - beginning	2,372	7,027	5,403	(10,143)	(578)	-
Cash and investments - ending	\$ -	\$ (63)	\$ 2,911	\$ (11,356)	\$ (2,245)	\$ (371)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (63)	\$ 2,911	\$ (11,356)	\$ (2,245)	\$ (371)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (63)	\$ 2,911	\$ (11,356)	\$ (2,245)	\$ (371)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	-	(63)	2,911	(11,356)	(2,245)	(371)
Total cash and investment fund balance - ending	\$ -	\$ (63)	\$ 2,911	\$ (11,356)	\$ (2,245)	\$ (371)

EASTERN GREENE 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)

	FY 06/08 Improving Teacher Quality	FY 05/07 Improving Teacher Quality	FY 07/09 Improving Teacher Quality	Hutton Scholarship Fund	Retirement/ Severance Bond Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 13,000	\$ 175,286	\$ 528,559
State sources	-	-	-	-	-	192,689
Federal sources	<u>29,758</u>	<u>20,000</u>	<u>29,759</u>	-	-	<u>475,518</u>
Total receipts	<u>29,758</u>	<u>20,000</u>	<u>29,759</u>	<u>13,000</u>	<u>175,286</u>	<u>1,196,766</u>
Disbursements:						
Current:						
Instruction	-	10,140	-	-	-	369,259
Support services	-	49,424	-	-	-	717,239
Community services	-	-	-	10,500	-	10,745
Nonprogrammed charges	-	-	-	-	-	137
Debt services	-	-	-	-	200,071	200,071
Total disbursements	<u>-</u>	<u>59,564</u>	<u>-</u>	<u>10,500</u>	<u>200,071</u>	<u>1,297,451</u>
Excess (deficiency) of receipts over disbursements	<u>29,758</u>	<u>(39,564)</u>	<u>29,759</u>	<u>2,500</u>	<u>(24,785)</u>	<u>(100,685)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	86,263	86,263
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,263</u>	<u>86,263</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>29,758</u>	<u>(39,564)</u>	<u>29,759</u>	<u>2,500</u>	<u>61,478</u>	<u>(14,422)</u>
Cash and investments - beginning	<u>-</u>	<u>39,564</u>	<u>-</u>	<u>15,889</u>	<u>(61,478)</u>	<u>319,624</u>
Cash and investments - ending	<u>\$ 29,758</u>	<u>\$ -</u>	<u>\$ 29,759</u>	<u>\$ 18,389</u>	<u>\$ -</u>	<u>\$ 305,202</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 29,758	\$ -	\$ 29,759	\$ 18,389	\$ -	\$ 305,202
Restricted assets:						
Cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 29,758</u>	<u>\$ -</u>	<u>\$ 29,759</u>	<u>\$ 18,389</u>	<u>\$ -</u>	<u>\$ 305,202</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	<u>29,758</u>	<u>-</u>	<u>29,759</u>	<u>18,389</u>	<u>-</u>	<u>305,202</u>
Total cash and investment fund balance - ending	<u>\$ 29,758</u>	<u>\$ -</u>	<u>\$ 29,759</u>	<u>\$ 18,389</u>	<u>\$ -</u>	<u>\$ 305,202</u>

EASTERN GREENE 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	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 175,743	\$ 175,743
Deductions:			
Administrative and general	175,743	59,332	235,075
Excess (deficiency) of total additions over total deductions	(175,743)	116,411	(59,332)
Cash and investment fund balance - beginning	175,743	-	175,743
Cash and investment fund balance - ending	\$ -	\$ 116,411	\$ 116,411
Net assets:			
Cash and investments	\$ -	\$ 116,411	\$ 116,411

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

	PTO Donation	FY 05/06 Indiana Next	Greene County Foundation	Homeland Security Student Leader	FY 05/06 Save Star Mini Grant	Partners In Education	FY 06/07 Save Star Mini Grant	Homeland Security Student Education	FY 05/06 Allstate Grant	Totals
Additions:										
Contributions:										
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,426	\$ 1,426
Deductions:										
Administrative and general	-	1,500	-	-	-	-	(1)	1,000	1,190	3,689
Excess (deficiency) of total additions over total deductions	-	(1,500)	-	-	-	-	1	(1,000)	236	(2,263)
Cash and investment fund balance - beginning	9,250	1,500	499	471	104	149	(1)	1,000	-	12,972
Cash and investments - June 30	<u>\$ 9,250</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 471</u>	<u>\$ 104</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236</u>	<u>\$ 10,709</u>
Net assets:										
Cash and investments	<u>\$ 9,250</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 471</u>	<u>\$ 104</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236</u>	<u>\$ 10,709</u>

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

	PTO Donation	IU Teresa Butler Scholarship	Homeland Security	Greene County Foundation	Homeland Security Student Leader	05/06 Save Star Mini Grant	Partners In Education	FY 08/09 Learn and Serve	FY 05/06 Allstate Grant	Totals
Additions:										
Contributions:										
Other	\$ -	\$ 500	\$ 885	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ -	\$ 2,985
Deductions:										
Administrative and general	-	-	-	-	471	-	-	-	-	471
Excess (deficiency) of total additions over total deductions	-	500	885	-	(471)	-	-	1,600	-	2,514
Cash and investment fund balance - beginning	9,250	-	-	499	471	104	149	-	236	10,709
Cash and investments - June 30	<u>\$ 9,250</u>	<u>\$ 500</u>	<u>\$ 885</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 149</u>	<u>\$ 1,600</u>	<u>\$ 236</u>	<u>\$ 13,223</u>
Net assets:										
Cash and investments	<u>\$ 9,250</u>	<u>\$ 500</u>	<u>\$ 885</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 149</u>	<u>\$ 1,600</u>	<u>\$ 236</u>	<u>\$ 13,223</u>

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	Payroll Withholdings	ECA Payments	Money Market Temporary Loan	Totals
Cash and investments fund balance - ending	\$ 6,322	\$ 10,820	\$ (177,647)	\$ (160,505)

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	Payroll Withholdings	ECA Payments	Money Market Temporary Loan	Totals
Cash and investments fund balance - ending	\$ 13,286	\$ 13,131	\$ (177,647)	\$ (151,230)

RANDY BARRETT
 Superintendent
NANCY NOLTING
 Corporation Treasurer
TANYA JOHNSON
 Admin Assist/HR Clerk
BARBARA CAVE
 Admin Assist/Payroll Clerk

EASTERN GREENE SCHOOLS CENTRAL OFFICE

Route 4 Box 351
 Bloomfield Indiana 47424-9698
 OFC (812) 825-5722 ♦ FAX (812) 825-9413



BOARD OF TRUSTEES
 PATRICK ARTHUR
 ANDREW BROUGH
 LANE CORBIN
 ROBERT HUDSON
 DONALD JAMES
 KIMBERLY WALDRIDGE
 JACQUELINE WHALEY

EASTERN GREENE 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 Due Within One Year
Governmental Activities:		
Capital leases:		
New high school building of 2006	\$ 7,000,000	\$ 298,480
Common school loans payable	12,621,375	697,500
Bonds payable:		
General obligation bonds:		
Taxable pension bonds of 2004	1,615,000	120,000
Total governmental activities debt	\$ 21,236,375	\$ 1,115,980

EASTERN GREENE SCHOOLS
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS RECORDS

The School Corporation hired American Appraisal to conduct an inventory of capital assets and produce a detailed ledger as of June 30, 2005. There have been no updated entries to the ledger since this date. A new high school building was completed during the audit period totaling approximately \$16,000,000 and no entries were noted on the capital assets ledger.

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

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating, Construction, Title I, Cape Grant, Project Lead the Way, Retirement/Severance Bond, and Temporary Loan funds were overdrawn at June 30, 2007. The cash balances of the Title I, Cape Grant, Project Lead the Way, School Lunch, Drug Free Schools and Temporary Loan funds were overdrawn at June 30, 2008.

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

EXTRA-CURRICULAR ACCOUNTING SOFTWARE DEFICIENCIES

The financial records of the high school and elementary school extra-curricular accounts (including textbook rental) were maintained using Harmony Software. The following deficiencies were noted:

- (1) The software vendor has online access to the system continuously. The vendor can make changes to the software system without the schools knowledge or approval. Changes do not have to be authorized by the school, nor is there a log maintained of what changes or updates have been made by the vendor.
- (2) Forms generated by the computer system have not been approved for use in lieu of the prescribed forms.
- (3) Audit trails for all information entered into the system is complete. The year-end reports for the extra-curricular accounts did not include dates of receipts and disbursement, nor was the receipt/check number included.

EASTERN GREENE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Changes to the account system's computer programs must be adequately controlled. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

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)

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to track all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. Audit trails must also identify the user that processed the transaction or updated the information. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

ERRONEOUS REIMBURSEMENT CLAIMS FILED - SCHOOL LUNCH FUND

Eastern Greene Schools filed various erroneous claims for reimbursement and was reimbursed for the incorrect number of meals served in 16 of 18 months reviewed during the audit period. January and May 2008 claims were not filed within the 60 day limit for reimbursement set forth by Indiana Department of Education guidelines. A net result of 48,119 meals were under reported during the audit period resulting in \$65,391.95 not being reimbursed to the school lunch fund from the Indiana Department of Education during the audit period. We also noted that claims for reimbursement were not filed timely in 13 out of 20 months.

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

Compliance

We have audited the compliance of the Eastern Greene Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 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

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)

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

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

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2008-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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

The School Corporation's response to the findings identified in our audit is described in the accompanying and 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, 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 21, 2009

EASTERN GREENE SCHOOLS
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>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 63,330	\$ 58,485
National School Lunch Program	10.555		<u>203,953</u>	<u>182,843</u>
Total for federal grantor agency			<u>267,283</u>	<u>241,328</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
FY 05-06	84.010	06-2940	41,188	-
FY 06-07		07-2940	146,880	40,380
FY 07-08		08-2940	-	138,433
FY 07-08, School Improvement		08-2940	<u>-</u>	<u>15,370</u>
Total for program			<u>188,068</u>	<u>194,183</u>
Safe and Drug Free Schools and Communities - State Grants				
FY 04-06	84.186	04-013	7,159	-
FY 05-07		05-137	-	7,090
FY 06-08		06-2940	<u>-</u>	<u>2,492</u>
Total for program			<u>7,159</u>	<u>9,582</u>
State Grants for Innovative Programs				
FY 04-06	84.298	04-011	6,974	-
FY 05-07		05-127	3,716	880
FY 06-08		06-2940	<u>-</u>	<u>2,372</u>
Total for program			<u>10,690</u>	<u>3,252</u>
Improving Teacher Quality State Grants				
FY 04-06	84.367	04-041	28,827	-
FY 05-07		05-205	<u>-</u>	<u>59,564</u>
Total for program			<u>28,827</u>	<u>59,564</u>
Total for federal grantor agency			<u>234,744</u>	<u>266,581</u>
Total federal awards expended			<u>\$ 502,027</u>	<u>\$ 507,909</u>

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

EASTERN GREENE SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporation's 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.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006-2007</u>	<u>2007-2008</u>
School Breakfast Program	10.553	\$ 10,042	\$ 4,755
National School Lunch Program	10.555	32,340	22,710

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
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 program:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major program: 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 Program:

CFDA Number	Name of Federal Program or Cluster
----------------	------------------------------------

Child Nutrition Cluster

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.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-01, CHILD NUTRITION CLUSTER –
INCORRECT AND LATE FILING OF REPORTS

Federal Agency: U.S. Department of Agriculture
Pass-Through Entity: Indiana Department of Education
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555

Eastern Greene Schools filed various erroneous claims for reimbursement and was reimbursed for the incorrect number of meals served in 16 of 18 months reviewed during the audit period. January and May 2008 claims were not filed. A total of 460 meals were over reported and a total of 48,579 meals were under reported resulting in a net of 48,119 meals under reported during the audit period. This also results in a net amount due from Indiana Department of Education for unreimbursed meals during the audit period of \$65,391.95. We also noted that claims for reimbursement were not filed timely in 13 out of 20 months. Three claims were not filed within the 60 day limit for reimbursement and were not reimbursed by Indiana Department of Education.

7CFR sections 210.7(c), 210.8(c) and 225.9(d) states in part: "All meals claimed for reimbursement must be of types authorized by the SFA's, or sponsor's administering agency; must be served to eligible children; and must be supported by accurate meal counts and records indicating the number of meals served by category and type."

7CFR 210.15 states in part: "(a) Reporting Summary. Participating school food authorities are required to submit forms and reports to the State agency or the distributing agency, as appropriate, to demonstrate compliance with Program requirements . . ."

Failure to claim the correct number of meals served could result in incorrect reimbursements. Failure to file timely claims for reimbursement could result in cashflow problems.

We recommended that the School Corporation implement internal control procedures to detect the correct numbers of meals served and assure that correct numbers of meals served are submitted for reimbursements in a timely manner.

RANDY BARRETT
Superintendent
NANCY NOLTING
Corporation Treasurer
TANYA JOHNSON
Admin Assist/HR Clerk
BARBARA CAVE
Admin Assist/Payroll Clerk

EASTERN GREENE SCHOOLS CENTRAL OFFICE

Route 4 Box 351
Bloomfield Indiana 47424-9698
OFC (812) 825-5722 ♦ FAX (812) 825-9413



BOARD OF TRUSTEES
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ROBERT HUDSON
DONALD JAMES
KIMBERLY WALDRIDGE
JACQUELINE WHALEY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2006-1

Original SBA Audit Report Number: B24732
Fiscal Years: 7/1/04 to 6/30/06
Auditee Contact Person: Nancy Nolting
Title of Contact Person: Corporation Treasurer
Phone Number: (812) 825-5722
Status of Finding: Not Corrected

Child Nutrition Cluster reporting claims for reimbursement are still being filed late and are incorrect.

Eastern Greene Schools will continue to implement the current monitoring system for our cafeteria since the finding has not been corrected. We will continue to implement the following procedures to correct the finding.

1. Spot check meal servings and match those to cafeteria counts.
2. Require a copy of all filings to be submitted to the Central Office to ensure timeliness.
3. Conduct a quarterly review of cafeteria management to ensure procedures are being followed.

RANDY BARRETT
Superintendent
NANCY NOLTING
Corporation Treasurer
TANYA JOHNSON
Admin Assist/HR Clerk
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CORRECTIVE ACTION PLAN

FINDING NO. 2008-01

Auditee Contact Person: Nancy Nolting
Title of Contact Person: Corporation Treasurer
Phone Number: (812) 825-5722
Expected Completion Date: As soon as possible

Eastern Greene Schools will implement a better monitoring system of our cafeteria. We will put in place the following procedures immediately.

1. Spot check meal servings and match those to cafeteria counts.
2. Require a copy of all filings to be submitted to the Central Office to ensure timeliness.
3. Conduct a quarterly review of cafeteria management to ensure procedures are being followed.

EASTERN GREENE SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on April 21, 2009, with Lane Corbin, President of the School Board; Thomas T. Mungle, Superintendent of Schools; and Nancy Nolting, Treasurer. The officials concurred with our audit findings.