

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

AUDIT REPORT  
OF

SOUTH HARRISON COMMUNITY  
SCHOOL CORPORATION  
HARRISON COUNTY, INDIANA

July 1, 2006 to June 30, 2008



**FILED**

06/23/2009



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela L. Seipel	07-01-06 to 06-30-09
Superintendent of Schools	Dr. Neyland G. Clark	07-01-06 to 06-30-14
President of the School Board	Michael A. McGraw Jeffrey L. Brown Roger Windell	01-01-06 to 12-31-06 01-01-07 to 12-31-08 01-01-09 to 12-31-09



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

TO: THE OFFICIALS OF THE SOUTH HARRISON COMMUNITY  
SCHOOL CORPORATION, HARRISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Harrison Community 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 May 26, 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 Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 26, 2009



**STATE OF INDIANA**  
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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 SOUTH HARRISON COMMUNITY  
SCHOOL CORPORATION, HARRISON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Harrison Community 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 May 26, 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-1.

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

May 26, 2009

SOUTH HARRISON COMMUNITY 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>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	\$ 14,036,311	\$ -	\$ 121,117	\$ (13,915,194)
Support services	11,391,530	709,184	622,520	(10,059,826)
Community services	368,189	-	-	(368,189)
Nonprogrammed charges	1,328,450	-	-	(1,328,450)
Debt service	9,142,038	-	-	(9,142,038)
	<u>\$ 36,266,518</u>	<u>\$ 709,184</u>	<u>\$ 743,637</u>	<u>(34,813,697)</u>
General receipts:				
Property taxes				6,595,817
Other local sources				4,462,606
State aid				11,286,059
Bonds and loans				3,800,000
Grants and contributions not restricted to specific programs				2,037,463
Sale of property, adjustments, and refunds				2,647
Investment earnings				536,445
				<u>28,721,037</u>
Total general receipts				<u>28,721,037</u>
Change in net assets				(6,092,660)
Net assets - beginning				<u>12,921,950</u>
Net assets - ending				<u>\$ 6,829,290</u>
<u>Assets</u>				
Cash and investments				\$ 5,080,312
Restricted assets:				
Cash and investments				<u>1,748,978</u>
Total assets				<u>\$ 6,829,290</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,748,978
Unrestricted				<u>5,080,312</u>
Total net assets				<u>\$ 6,829,290</u>

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

SOUTH HARRISON COMMUNITY 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	\$ 13,841,077	\$ -	\$ 305,840	\$ (13,535,237)
Support services	14,118,029	697,187	620,630	(12,800,212)
Community services	351,429	-	-	(351,429)
Nonprogrammed charges	712,709	-	-	(712,709)
Debt service	9,450,809	-	-	(9,450,809)
	<u>\$ 38,474,053</u>	<u>\$ 697,187</u>	<u>\$ 926,470</u>	<u>(36,850,396)</u>
General receipts:				
Property taxes				12,979,787
Other local sources				4,574,163
State aid				10,598,516
Bonds and loans				3,800,000
Grants and contributions not restricted to specific programs				2,274,278
Sale of property, adjustments, and refunds				12,795
Investment earnings				224,983
				<u>34,464,522</u>
Change in net assets				(2,385,874)
Net assets - beginning				<u>6,829,290</u>
Net assets - ending				<u>\$ 4,443,416</u>
<u>Assets</u>				
Cash and investments				\$ 2,722,597
Restricted assets:				
Cash and investments				<u>1,720,819</u>
Total assets				<u>\$ 4,443,416</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,720,819
Unrestricted				<u>2,722,597</u>
Total net assets				<u>\$ 4,443,416</u>

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

SOUTH HARRISON COMMUNITY 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	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 4,193,155	\$ 833,398	\$ -	\$ 3,455,634	\$ 1,717,322	\$ 61,325	\$ 2,042,314	\$ 12,303,148
Intermediate sources	-	-	-	-	-	-	900	900
State sources	11,404,272	-	-	-	-	-	177,420	11,581,692
Federal sources	-	-	-	-	-	-	2,485,471	2,485,471
Bonds and loans	3,300,000	500,000	-	-	-	-	-	3,800,000
Sale of property, adjustments and refunds	2,647	-	-	-	-	-	-	2,647
<b>Total receipts</b>	<b>18,900,074</b>	<b>1,333,398</b>	<b>-</b>	<b>3,455,634</b>	<b>1,717,322</b>	<b>61,325</b>	<b>4,706,105</b>	<b>30,173,858</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	12,500,001	-	-	-	-	-	1,536,310	14,036,311
Support services	4,352,848	1,428,689	-	-	2,904,898	104,250	2,600,845	11,391,530
Community services	337,663	-	-	-	-	-	30,526	368,189
Nonprogrammed charges	1,223,242	-	-	-	-	-	105,208	1,328,450
Debt services	3,300,000	500,000	-	4,866,747	-	-	475,291	9,142,038
<b>Total disbursements</b>	<b>21,713,754</b>	<b>1,928,689</b>	<b>-</b>	<b>4,866,747</b>	<b>2,904,898</b>	<b>104,250</b>	<b>4,748,180</b>	<b>36,266,518</b>
Excess (deficiency) of receipts over disbursements	(2,813,680)	(595,291)	-	(1,411,113)	(1,187,576)	(42,925)	(42,075)	(6,092,660)
<b>Other financing sources (uses):</b>								
Transfers in	177,593	-	-	-	-	-	537,316	714,909
Transfers out	(201,715)	(46,252)	-	(105,613)	(96,941)	(3,463)	(260,925)	(714,909)
<b>Total other financing sources (uses)</b>	<b>(24,122)</b>	<b>(46,252)</b>	<b>-</b>	<b>(105,613)</b>	<b>(96,941)</b>	<b>(3,463)</b>	<b>276,391</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,837,802)	(641,543)	-	(1,516,726)	(1,284,517)	(46,388)	234,316	(6,092,660)
Cash and investments - beginning	3,693,339	432,762	399,500	3,265,704	4,665,644	270,136	194,865	12,921,950
Cash and investments - ending	\$ 855,537	\$ (208,781)	\$ 399,500	\$ 1,748,978	\$ 3,381,127	\$ 223,748	\$ 429,181	\$ 6,829,290
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 855,537	\$ (208,781)	\$ 399,500	\$ -	\$ 3,381,127	\$ 223,748	\$ 429,181	\$ 5,080,312
Restricted assets:								
Cash and investments	-	-	-	1,748,978	-	-	-	1,748,978
<b>Total cash and investment assets - ending</b>	<b>\$ 855,537</b>	<b>\$ (208,781)</b>	<b>\$ 399,500</b>	<b>\$ 1,748,978</b>	<b>\$ 3,381,127</b>	<b>\$ 223,748</b>	<b>\$ 429,181</b>	<b>\$ 6,829,290</b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 1,748,978	\$ -	\$ -	\$ -	\$ 1,748,978
Unrestricted	855,537	(208,781)	399,500	-	3,381,127	223,748	429,181	5,080,312
<b>Total cash and investment fund balance - ending</b>	<b>\$ 855,537</b>	<b>\$ (208,781)</b>	<b>\$ 399,500</b>	<b>\$ 1,748,978</b>	<b>\$ 3,381,127</b>	<b>\$ 223,748</b>	<b>\$ 429,181</b>	<b>\$ 6,829,290</b>

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

SOUTH HARRISON COMMUNITY 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	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 7,021,440	\$ 1,593,930	\$ 111,192	\$ 4,665,325	\$ 2,310,076	\$ 256,382	\$ 2,516,950	\$ 18,475,295
Intermediate sources	-	-	-	-	-	-	825	825
State sources	10,900,788	-	-	-	-	-	215,636	11,116,424
Federal sources	-	-	-	-	-	-	2,682,840	2,682,840
Bonds and loans	3,300,000	500,000	-	-	-	-	-	3,800,000
Sale of property, adjustments and refunds	4,030	-	-	-	-	-	8,765	12,795
<b>Total receipts</b>	<b>21,226,258</b>	<b>2,093,930</b>	<b>111,192</b>	<b>4,665,325</b>	<b>2,310,076</b>	<b>256,382</b>	<b>5,425,016</b>	<b>36,088,179</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	12,316,697	-	-	-	-	-	1,524,380	13,841,077
Support services	4,669,864	1,550,755	-	-	4,944,902	235,399	2,717,109	14,118,029
Community services	349,418	-	-	-	-	-	2,011	351,429
Nonprogrammed charges	660,275	-	-	-	-	-	52,434	712,709
Debt services	3,300,000	500,000	-	4,693,484	-	-	957,325	9,450,809
<b>Total disbursements</b>	<b>21,296,254</b>	<b>2,050,755</b>	<b>-</b>	<b>4,693,484</b>	<b>4,944,902</b>	<b>235,399</b>	<b>5,253,259</b>	<b>38,474,053</b>
Excess (deficiency) of receipts over disbursements	(69,996)	43,175	111,192	(28,159)	(2,634,826)	20,983	171,757	(2,385,874)
<b>Other financing sources (uses):</b>								
Transfers in	454,657	63,712	-	-	-	-	322,844	841,213
Transfers out	-	-	-	-	-	(63,712)	(777,501)	(841,213)
<b>Total other financing sources (uses)</b>	<b>454,657</b>	<b>63,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,712)</b>	<b>(454,657)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	384,661	106,887	111,192	(28,159)	(2,634,826)	(42,729)	(282,900)	(2,385,874)
Cash and investments - beginning	855,537	(208,781)	399,500	1,748,978	3,381,127	223,748	429,181	6,829,290
Cash and investments - ending	\$ 1,240,198	\$ (101,894)	\$ 510,692	\$ 1,720,819	\$ 746,301	\$ 181,019	\$ 146,281	\$ 4,443,416
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 1,240,198	\$ (101,894)	\$ 510,692	\$ -	\$ 746,301	\$ 181,019	\$ 146,281	\$ 2,722,597
Restricted assets:								
Cash and investments	-	-	-	1,720,819	-	-	-	1,720,819
<b>Total cash and investment assets - ending</b>	<b>\$ 1,240,198</b>	<b>\$ (101,894)</b>	<b>\$ 510,692</b>	<b>\$ 1,720,819</b>	<b>\$ 746,301</b>	<b>\$ 181,019</b>	<b>\$ 146,281</b>	<b>\$ 4,443,416</b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 1,720,819	\$ -	\$ -	\$ -	\$ 1,720,819
Unrestricted	1,240,198	(101,894)	510,692	-	746,301	181,019	146,281	2,722,597
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,240,198</b>	<b>\$ (101,894)</b>	<b>\$ 510,692</b>	<b>\$ 1,720,819</b>	<b>\$ 746,301</b>	<b>\$ 181,019</b>	<b>\$ 146,281</b>	<b>\$ 4,443,416</b>

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

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

	Pension Trust Fund	Private-Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 2,689,729
Investment earnings:		
Interest/dividends	381,856	222,653
Total additions	381,856	2,912,382
Deductions:		
Benefits	3,319,061	-
Administrative and general	-	2,528,481
Total deductions	3,319,061	2,528,481
Excess (deficiency) of total additions over total deductions	(2,937,205)	383,901
Cash and investment fund balance - beginning	6,886,554	4,213,887
Cash and investment fund balance - ending	\$ 3,949,349	\$ 4,597,788
Net assets:		
Cash and investments	\$ 3,949,349	\$ 4,597,788
Total net assets - cash and investment basis held in trust	\$ 3,949,349	\$ 4,597,788

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

SOUTH HARRISON COMMUNITY 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 Fund</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 5,491,279
Investment earnings:		
Interest/dividends	<u>152,156</u>	<u>164,184</u>
Total additions	<u>152,156</u>	<u>5,655,463</u>
Deductions:		
Benefits	322,480	-
Administrative and general	<u>-</u>	<u>5,557,260</u>
Total deductions	<u>322,480</u>	<u>5,557,260</u>
Excess (deficiency) of total additions over total deductions	(170,324)	98,203
Cash and investment fund balance - beginning	<u>3,949,349</u>	<u>4,597,788</u>
Cash and investment fund balance - ending	<u>\$ 3,779,025</u>	<u>\$ 4,695,991</u>
Net assets:		
Cash and investments	<u>\$ 3,779,025</u>	<u>\$ 4,695,991</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,779,025</u>	<u>\$ 4,695,991</u>

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

SOUTH HARRISON COMMUNITY 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: South Harrison Community 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 North Harrison Community School Corporation and Lanesville Community School Corporation in a joint venture to operate the Harrison County Exceptional Learners Cooperative (Co-op) which was created to provide instruction for handicapped children. The Co-op is funded by a federal program (Special Education – State Grants, CFDA No. 84.027) and the participating schools. All proceeds of this federal program were received by the South Harrison Community School Corporation. The Co-op's continued existence depends on a continued funding by this federal program and the participating schools. Complete financial activity of the Co-op is presented in the governmental funds on the financial statements of the South Harrison Community School Corporation (Other Governmental Funds). The School Corporation has posted Co-op expenses to various funds. At June 30, 2008, these funds had deficit balances of \$285,534. This deficit existed primarily because the School Corporation had not billed and collected funding from the participating schools.

The School Corporation is a participant along with several other local school corporations in a joint venture to operate the Wilson Education Center (Center) which was created to perform educational planning on a cooperative basis and to assist in meeting specific education service center than by the school corporations themselves. The School Corporation is obligated by contract to remit a membership fee based on the School Corporation's total enrollment. The membership fees paid by each participating school corporation are only a small portion of the funding used to operate the Center. Complete financial information for the Wilson Education Center can be obtained from the Center's administrative offices at 2101 Grace Avenue, Charlestown, IN 47111.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. 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 local rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

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 principal and income benefit the School Corporation's employees and students.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 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
Special Education Co-op Joint Services	\$ 94,828	\$ 239,315
Special Education Co-op Part B	60,140	46,124
Special Education Co-op Preschool	9,216	-
Special Education Co-op Preschool - 2	-	95

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

III. Detailed Notes on All Funds

A. Deposits

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. At June 30, 2008, the School Corporation had deposit balances

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

in the amount of \$12,997,706. Deposit 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	Other governmental funds	\$ 201,715	\$ -
School bus replacement	Transportation operating	-	63,712
School bus replacement	Other governmental funds	3,463	-
Debt service	Other governmental funds	105,613	-
Capital projects	Other governmental funds	96,941	-
Transportation operating	Other governmental funds	46,252	-
Other governmental funds	General fund	177,593	454,657
Other governmental funds	Other governmental funds	83,332	322,844
		<u>\$ 714,909</u>	<u>\$ 841,213</u>
Totals		<u>\$ 714,909</u>	<u>\$ 841,213</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, 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 Reclassification	Balance as Restated July 1, 2006
Governmental funds	\$ 13,280,205	\$ (358,255)	\$ 12,921,950
Private-purpose trust funds	3,855,632	358,255	4,213,887

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

B. Holding Corporations

The School Corporation has entered into capital leases with South Harrison 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. The lessor has been determined to be a related party of the School Corporation. Lease payments during the audit period totaled \$9,326,966.

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 30 years of service. Disbursements for these post employment benefits are recognized on a pay-as-you-go basis. Currently, 43 retirees meet these eligibility requirements. During the year ended June 30, 2008, disbursements of \$143,620 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 192,802
Interest on net pension obligation	(9,861)
Adjustment to annual required contribution	11,237
Annual pension cost	194,178
Contributions made	191,680
Increase in net pension obligation	2,498
Net pension obligation, beginning of year	(136,012)
Net pension obligation, end of year	\$ (133,514)

	PERF
Contribution rates:	
School Corporation	6.75%
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

<u>Actuarial Assumptions</u>	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%

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 160,977	106%	\$ (138,892)
	06-30-06	179,470	98%	(136,012)
	06-30-07	194,178	99%	(133,514)

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

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

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.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
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 \$471,399, \$433,036, and \$409,908, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

SOUTH HARRISON COMMUNITY 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	\$ 2,542,681	\$ 2,939,423	\$ (396,742)	87%	\$ 2,681,855	(15%)
07-01-06	2,748,334	2,976,416	(228,082)	92%	2,692,120	(8%)
07-01-07	2,968,621	3,144,069	(175,448)	94%	2,712,784	(6%)

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

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Special Education Co-op Joint Services	Special Education Co-op Joint Service/Supply	Educational License Plates
<b>Receipts:</b>							
Local sources	\$ 11,908	\$ 689,684	\$ 255,547	\$ -	\$ 1,030,975	\$ 40,238	\$ -
Intermediate sources	-	-	-	-	-	-	900
State sources	69,243	17,095	39,861	-	-	-	-
Federal sources	-	565,564	-	-	-	-	-
<b>Total receipts</b>	<b>81,151</b>	<b>1,272,343</b>	<b>295,408</b>	<b>-</b>	<b>1,030,975</b>	<b>40,238</b>	<b>900</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	301,824	556	1,114
Support services	-	1,262,159	284,637	-	266,486	28,522	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	105,208	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>105,208</b>	<b>1,262,159</b>	<b>284,637</b>	<b>-</b>	<b>568,310</b>	<b>29,078</b>	<b>1,114</b>
Excess (deficiency) of receipts over disbursements	(24,057)	10,184	10,771	-	462,665	11,160	(214)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	454,657	-	-	-
Transfers out	(673)	-	-	(177,593)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(673)</b>	<b>-</b>	<b>-</b>	<b>277,064</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,730)	10,184	10,771	277,064	462,665	11,160	(214)
Cash and investments - beginning	157,853	15,781	162,075	177,593	(557,493)	-	9,469
Cash and investments - ending	<u>\$ 133,123</u>	<u>\$ 25,965</u>	<u>\$ 172,846</u>	<u>\$ 454,657</u>	<u>\$ (94,828)</u>	<u>\$ 11,160</u>	<u>\$ 9,255</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	<u>\$ 133,123</u>	<u>\$ 25,965</u>	<u>\$ 172,846</u>	<u>\$ 454,657</u>	<u>\$ (94,828)</u>	<u>\$ 11,160</u>	<u>\$ 9,255</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	<u>\$ 133,123</u>	<u>\$ 25,965</u>	<u>\$ 172,846</u>	<u>\$ 454,657</u>	<u>\$ (94,828)</u>	<u>\$ 11,160</u>	<u>\$ 9,255</u>

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

SOUTH HARRISON COMMUNITY 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)

	Alternative Education Grant	Economic Education Grant	IU Rite Grant Research	Non-English Speaking Program	Performance Based Awards	Regional Tech Meeting Coordinator	Cultural Competency Grant 05-06
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	27,314	1,000	-	2,907	-	-	-
Federal sources	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>27,314</b>	<b>1,000</b>	<b>-</b>	<b>2,907</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	15,633	1,000	-	566	767	-	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>15,633</b>	<b>1,000</b>	<b>-</b>	<b>566</b>	<b>767</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>11,681</b>	<b>-</b>	<b>-</b>	<b>2,341</b>	<b>(767)</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>11,681</b>	<b>-</b>	<b>-</b>	<b>2,341</b>	<b>(767)</b>	<b>-</b>	<b>-</b>
Cash and investments - beginning	74,847	-	75	2,093	960	2,986	1,013
Cash and investments - ending	<u>\$ 86,528</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 4,434</u>	<u>\$ 193</u>	<u>\$ 2,986</u>	<u>\$ 1,013</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	<u>\$ 86,528</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 4,434</u>	<u>\$ 193</u>	<u>\$ 2,986</u>	<u>\$ 1,013</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	<u>\$ 86,528</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 4,434</u>	<u>\$ 193</u>	<u>\$ 2,986</u>	<u>\$ 1,013</u>

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

SOUTH HARRISON COMMUNITY 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)

	Media Grant CCJHS/SCJHS	C.L.A.S.S. SCES	ISIT	WHAS Grant	Regional Tech Grant	Title 1 2006-2007
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	20,000	-	-
Federal sources	-	-	-	-	-	288,231
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>288,231</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	12,459	-	170,831
Support services	-	-	-	7,466	-	55,357
Community services	-	-	-	-	-	154
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,925</b>	<b>-</b>	<b>226,342</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>61,889</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	69,108
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,108</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>130,997</b>
Cash and investments - beginning	3,379	293	1,153	(20,880)	6,000	-
Cash and investments - ending	<u>\$ 3,379</u>	<u>\$ 293</u>	<u>\$ 1,153</u>	<u>\$ (20,805)</u>	<u>\$ 6,000</u>	<u>\$ 130,997</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	<u>\$ 3,379</u>	<u>\$ 293</u>	<u>\$ 1,153</u>	<u>\$ (20,805)</u>	<u>\$ 6,000</u>	<u>\$ 130,997</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	<u>\$ 3,379</u>	<u>\$ 293</u>	<u>\$ 1,153</u>	<u>\$ (20,805)</u>	<u>\$ 6,000</u>	<u>\$ 130,997</u>

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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	Title 1 2006-2007 Wyandotte	Title 1 2006-2007 School Improvement SCE	Title 1 2005-2006	Title 1 2005-2006 Wyandotte	Title 1 2004-2005 CSR Grant	Title 1 2005-2006 CSR Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,641	15,061	25,000	2,393	-	50,000
	<u>3,641</u>	<u>15,061</u>	<u>25,000</u>	<u>2,393</u>	<u>-</u>	<u>50,000</u>
Total receipts	3,641	15,061	25,000	2,393	-	50,000
Disbursements:						
Current:						
Instruction	6,750	12,333	56,076	38	(10)	26,995
Support services	5,741	2,020	22,558	-	-	61,413
Community services	-	-	1,279	-	-	2,178
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	12,491	14,353	79,913	38	(10)	90,586
Excess (deficiency) of receipts over disbursements	<u>(8,850)</u>	<u>708</u>	<u>(54,913)</u>	<u>2,355</u>	<u>10</u>	<u>(40,586)</u>
Other financing sources (uses):						
Transfers in	13,551	-	-	-	-	-
Transfers out	-	-	(69,108)	(13,551)	-	-
	<u>-</u>	<u>-</u>	<u>(69,108)</u>	<u>(13,551)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	13,551	-	(69,108)	(13,551)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,701	708	(124,021)	(11,196)	10	(40,586)
Cash and investments - beginning	-	-	124,021	11,196	(10)	40,586
Cash and investments - ending	<u>\$ 4,701</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 4,701</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 4,701</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 (Continued)

	Title V Part A 2004-2006	Title V Part A 2005-2007	Stewart Homeless Grant	Special Education Co-op Part B	Special Education Co-op Sliver	Special Education Co-op Preschool
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 8,147	\$ -	\$ 525
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	15,952	10,432	-	1,309,424	7,588	34,659
<b>Total receipts</b>	<u>15,952</u>	<u>10,432</u>	<u>-</u>	<u>1,317,571</u>	<u>7,588</u>	<u>35,184</u>
Disbursements:						
Current:						
Instruction	-	-	-	779,868	400	42,331
Support services	15,952	10,216	-	498,257	-	-
Community services	-	-	-	17,000	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>15,952</u>	<u>10,216</u>	<u>-</u>	<u>1,295,125</u>	<u>400</u>	<u>42,331</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>216</u>	<u>-</u>	<u>22,446</u>	<u>7,188</u>	<u>(7,147)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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>-</u>	<u>216</u>	<u>-</u>	<u>22,446</u>	<u>7,188</u>	<u>(7,147)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>5,233</u>	<u>(82,586)</u>	<u>(7,188)</u>	<u>(2,069)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 216</u>	<u>\$ 5,233</u>	<u>\$ (60,140)</u>	<u>\$ -</u>	<u>\$ (9,216)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ 216</u>	<u>\$ 5,233</u>	<u>\$ (60,140)</u>	<u>\$ -</u>	<u>\$ (9,216)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ 216</u>	<u>\$ 5,233</u>	<u>\$ (60,140)</u>	<u>\$ -</u>	<u>\$ (9,216)</u>

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 (Continued)

	Drug Free Title IV 2004-2006	Drug Free Schools 2000	CIS Drug Free Peace Grant 2006-2007	Drug Free Title IV 2005-2007	Project 97-006 Title II Eisenhower	Perkins Special Project
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,290
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	<u>13,853</u>	<u>3,400</u>	<u>500</u>	<u>13,135</u>	<u>-</u>	<u>19,043</u>
Total receipts	<u>13,853</u>	<u>3,400</u>	<u>500</u>	<u>13,135</u>	<u>-</u>	<u>24,333</u>
Disbursements:						
Current:						
Instruction	4,413	-	-	1,403	-	22,234
Support services	6,433	-	-	836	-	-
Community services	2,757	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>13,603</u>	<u>-</u>	<u>-</u>	<u>2,239</u>	<u>-</u>	<u>22,234</u>
Excess (deficiency) of receipts over disbursements	<u>250</u>	<u>3,400</u>	<u>500</u>	<u>10,896</u>	<u>-</u>	<u>2,099</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
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>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	250	3,400	500	10,896	-	2,099
Cash and investments - beginning	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,046</u>	<u>(7,120)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,400</u>	<u>\$ 500</u>	<u>\$ 10,896</u>	<u>\$ 10,046</u>	<u>\$ (5,021)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ 3,400</u>	<u>\$ 500</u>	<u>\$ 10,896</u>	<u>\$ 10,046</u>	<u>\$ (5,021)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ 3,400</u>	<u>\$ 500</u>	<u>\$ 10,896</u>	<u>\$ 10,046</u>	<u>\$ (5,021)</u>

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 (Continued)

	Hurricane Relief	Team Nutrition Grant 2005-2006	Title II Part A	Title II Part D-Tech 2002-2004	Retirement/ Severance Bond Debt	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,042,314
Intermediate sources	-	-	-	-	-	900
State sources	-	-	-	-	-	177,420
Federal sources	12,000	-	89,901	5,694	-	2,485,471
<b>Total receipts</b>	<b>12,000</b>	<b>-</b>	<b>89,901</b>	<b>5,694</b>	<b>-</b>	<b>4,706,105</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	325	78,404	-	-	1,536,310
Support services	-	-	61,204	11,588	-	2,600,845
Community services	7,158	-	-	-	-	30,526
Nonprogrammed charges	-	-	-	-	-	105,208
Debt services	-	-	-	-	475,291	475,291
<b>Total disbursements</b>	<b>7,158</b>	<b>325</b>	<b>139,608</b>	<b>11,588</b>	<b>475,291</b>	<b>4,748,180</b>
Excess (deficiency) of receipts over disbursements	4,842	(325)	(49,707)	(5,894)	(475,291)	(42,075)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	537,316
Transfers out	-	-	-	-	-	(260,925)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276,391</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,842	(325)	(49,707)	(5,894)	(475,291)	234,316
Cash and investments - beginning	-	325	59,472	6,012	-	194,865
Cash and investments - ending	\$ 4,842	\$ -	\$ 9,765	\$ 118	\$ (475,291)	\$ 429,181
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 4,842	\$ -	\$ 9,765	\$ 118	\$ (475,291)	\$ 429,181
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 4,842	\$ -	\$ 9,765	\$ 118	\$ (475,291)	\$ 429,181

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Special Education Co-op Joint Services	Special Education Co-op Joint Service/Supply	Educational License Plates
<b>Receipts:</b>							
Local sources	\$ 20,408	\$ 672,542	\$ 252,036	\$ -	\$ 550,009	\$ 46,324	\$ -
Intermediate sources	-	-	-	-	-	-	825
State sources	79,990	17,470	68,444	-	-	-	-
Federal sources	-	534,716	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<u>100,398</u>	<u>1,224,728</u>	<u>320,480</u>	<u>-</u>	<u>550,009</u>	<u>46,324</u>	<u>825</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	388,356	303	4,909
Support services	-	1,250,349	216,453	-	306,140	45,474	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	52,359	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<u>52,359</u>	<u>1,250,349</u>	<u>216,453</u>	<u>-</u>	<u>694,496</u>	<u>45,777</u>	<u>4,909</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>48,039</u>	<u>(25,621)</u>	<u>104,027</u>	<u>-</u>	<u>(144,487)</u>	<u>547</u>	<u>(4,084)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(454,657)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(454,657)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>48,039</u>	<u>(25,621)</u>	<u>104,027</u>	<u>(454,657)</u>	<u>(144,487)</u>	<u>547</u>	<u>(4,084)</u>
<b>Cash and investments - beginning</b>	<u>133,123</u>	<u>25,965</u>	<u>172,846</u>	<u>454,657</u>	<u>(94,828)</u>	<u>11,160</u>	<u>9,255</u>
<b>Cash and investments - ending</b>	<u>\$ 181,162</u>	<u>\$ 344</u>	<u>\$ 276,873</u>	<u>\$ -</u>	<u>\$ (239,315)</u>	<u>\$ 11,707</u>	<u>\$ 5,171</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 181,162</u>	<u>\$ 344</u>	<u>\$ 276,873</u>	<u>\$ -</u>	<u>\$ (239,315)</u>	<u>\$ 11,707</u>	<u>\$ 5,171</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 181,162</u>	<u>\$ 344</u>	<u>\$ 276,873</u>	<u>\$ -</u>	<u>\$ (239,315)</u>	<u>\$ 11,707</u>	<u>\$ 5,171</u>

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 (Continued)

	Alternative Education Grant	WHAS Grant-2	4-Block	Mentor Program	ISIT-2	Economic Education Grant	IU Rite Grant Research
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 2,400	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	17,911	-	-	5,242	-	3,011	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	5,658	3,065	-	-	22
<b>Total receipts</b>	<u>17,911</u>	<u>-</u>	<u>8,058</u>	<u>8,307</u>	<u>-</u>	<u>3,011</u>	<u>22</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	61,505	1,638	928	-	-	3,011	-
Support services	-	-	-	5,242	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	75
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<u>61,505</u>	<u>1,638</u>	<u>928</u>	<u>5,242</u>	<u>-</u>	<u>3,011</u>	<u>75</u>
Excess (deficiency) of receipts over disbursements	<u>(43,594)</u>	<u>(1,638)</u>	<u>7,130</u>	<u>3,065</u>	<u>-</u>	<u>-</u>	<u>(53)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	1,153	-	-
Transfers out	-	(18,879)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(18,879)</u>	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(43,594)</u>	<u>(20,517)</u>	<u>7,130</u>	<u>3,065</u>	<u>1,153</u>	<u>-</u>	<u>(53)</u>
Cash and investments - beginning	<u>86,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>
Cash and investments - ending	<u>\$ 42,934</u>	<u>\$ (20,517)</u>	<u>\$ 7,130</u>	<u>\$ 3,065</u>	<u>\$ 1,153</u>	<u>\$ -</u>	<u>\$ 22</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 42,934</u>	<u>\$ (20,517)</u>	<u>\$ 7,130</u>	<u>\$ 3,065</u>	<u>\$ 1,153</u>	<u>\$ -</u>	<u>\$ 22</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 42,934</u>	<u>\$ (20,517)</u>	<u>\$ 7,130</u>	<u>\$ 3,065</u>	<u>\$ 1,153</u>	<u>\$ -</u>	<u>\$ 22</u>

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 For the Year Ended June 30, 2008  
 (Continued)

	Non-English Speaking Program	Performance Based Awards	Regional Tech Meeting Coordinator	Cultural Competency Grant 05-06	Media Grant CCJHS/SCJHS	C.L.A.S.S. SCES	ISIT
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	3,568	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>3,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	396	-	-	1,013	-	-	-
Support services	440	-	2,986	-	3,379	293	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>836</b>	<b>-</b>	<b>2,986</b>	<b>1,013</b>	<b>3,379</b>	<b>293</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	2,732	-	(2,986)	(1,013)	(3,379)	(293)	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(1,153)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,153)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,732	-	(2,986)	(1,013)	(3,379)	(293)	(1,153)
Cash and investments - beginning	4,434	193	2,986	1,013	3,379	293	1,153
Cash and investments - ending	\$ 7,166	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 7,166	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ 7,166	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -

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

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	WHAS Grant	Regional Tech Grant	Title 1 2006-2007	Title 1 2007-2008	Title 1 2006-2007 Wyandotte	Title 1 2007-2008 Wyandotte
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	20,000	-	-	-	-	-
Federal sources	-	-	30,000	232,671	-	8,562
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>20,000</b>	<b>-</b>	<b>30,000</b>	<b>232,671</b>	<b>-</b>	<b>8,562</b>
Disbursements:						
Current:						
Instruction	18,074	-	74,897	82,354	-	4,276
Support services	-	6,000	39,589	102,750	-	-
Community services	-	-	1,511	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>18,074</b>	<b>6,000</b>	<b>115,997</b>	<b>185,104</b>	<b>-</b>	<b>4,276</b>
Excess (deficiency) of receipts over disbursements	1,926	(6,000)	(85,997)	47,567	-	4,286
Other financing sources (uses):						
Transfers in	18,879	-	-	77,994	-	1,838
Transfers out	-	-	(45,000)	-	(4,701)	-
<b>Total other financing sources (uses)</b>	<b>18,879</b>	<b>-</b>	<b>(45,000)</b>	<b>77,994</b>	<b>(4,701)</b>	<b>1,838</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,805	(6,000)	(130,997)	125,561	(4,701)	6,124
Cash and investments - beginning	(20,805)	6,000	130,997	-	4,701	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,561</u>	<u>\$ -</u>	<u>\$ 6,124</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,561</u>	<u>\$ -</u>	<u>\$ 6,124</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,561</u>	<u>\$ -</u>	<u>\$ 6,124</u>

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

SOUTH HARRISON COMMUNITY 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)

	Title 1 2006-2007 School Improvement SCE	Title 1 2007-2008	Title 1 2005-2006 Wyandotte	Title 1 2007-2008 School Improvement	Title 1 CES School Improvement	Title V Part A 2005-2007
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	110,432	-	68,478	120,000	-
Sale of property, adjustments and refunds	-	-	-	-	-	2
<b>Total receipts</b>	<b>-</b>	<b>110,432</b>	<b>-</b>	<b>68,478</b>	<b>120,000</b>	<b>2</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	(1,033)	73,248	2,863	-	-	-
Support services	1,741	4,190	-	31,643	6,226	2
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>708</b>	<b>77,438</b>	<b>2,863</b>	<b>31,643</b>	<b>6,226</b>	<b>2</b>
Excess (deficiency) of receipts over disbursements	(708)	32,994	(2,863)	36,835	113,774	-
<b>Other financing sources (uses):</b>						
Transfers in	-	45,000	4,701	-	-	-
Transfers out	-	(77,994)	(1,838)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(32,994)</b>	<b>2,863</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(708)	-	-	36,835	113,774	-
Cash and investments - beginning	708	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 36,835	\$ 113,774	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ 36,835	\$ 113,774	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ -	\$ -	\$ -	\$ 36,835	\$ 113,774	\$ -

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

SOUTH HARRISON COMMUNITY 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)

	Title V Part A 2006-2008	Title V Part A 2005-2007A	Stewart Homeless Grant	Special Education Co-op Part B	HCELC Part B 2006-2007 Carryover	Special Education Co-op Part B
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	5,165	-	-	730,000	97,000	539,700
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,165</b>	<b>-</b>	<b>-</b>	<b>730,000</b>	<b>97,000</b>	<b>539,700</b>
Disbursements:						
Current:						
Instruction	-	-	-	324,710	6,419	342,119
Support services	-	216	5,233	319,455	44,168	269,400
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>216</b>	<b>5,233</b>	<b>644,165</b>	<b>50,587</b>	<b>611,519</b>
Excess (deficiency) of receipts over disbursements	5,165	(216)	(5,233)	85,835	46,413	(71,819)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	131,959
Transfers out	-	-	-	(131,959)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(131,959)</b>	<b>-</b>	<b>131,959</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,165	(216)	(5,233)	(46,124)	46,413	60,140
Cash and investments - beginning	-	216	5,233	-	-	(60,140)
Cash and investments - ending	<u>\$ 5,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,124)</u>	<u>\$ 46,413</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 5,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,124)</u>	<u>\$ 46,413</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 5,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,124)</u>	<u>\$ 46,413</u>	<u>\$ -</u>

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

SOUTH HARRISON COMMUNITY 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)

	Special Education Co-op Preschool	Special Education Co-op Preschool - 2	Drug Free Title IV 2006-2008	Drug Free Title IV 2007-2009	Drug Free Schools 2000	CIS Drug Free Peace Grant 2006-2007
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	19,776	23,057	3,402	6,000	3,400	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>19,776</b>	<b>23,057</b>	<b>3,402</b>	<b>6,000</b>	<b>3,400</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	19,736	13,976	300	500	-	-
Support services	-	-	302	3,110	-	500
Community services	-	-	500	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>19,736</b>	<b>13,976</b>	<b>1,102</b>	<b>3,610</b>	<b>-</b>	<b>500</b>
Excess (deficiency) of receipts over disbursements	40	9,081	2,300	2,390	3,400	(500)
<b>Other financing sources (uses):</b>						
Transfers in	9,176	-	6,800	-	-	-
Transfers out	-	(9,176)	-	-	(6,800)	-
<b>Total other financing sources (uses)</b>	<b>9,176</b>	<b>(9,176)</b>	<b>6,800</b>	<b>-</b>	<b>(6,800)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,216	(95)	9,100	2,390	(3,400)	(500)
Cash and investments - beginning	(9,216)	-	-	-	3,400	500
Cash and investments - ending	\$ -	\$ (95)	\$ 9,100	\$ 2,390	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ (95)	\$ 9,100	\$ 2,390	\$ -	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ -	\$ (95)	\$ 9,100	\$ 2,390	\$ -	\$ -

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

SOUTH HARRISON COMMUNITY 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 Title IV 2005-2007	Project 97-006 Title II Eisenhower	Perkins Special Project	Hurricane Relief	Hurricane Relief - 2	Title II Part A
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	4,761	-	-	48,288
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>4,761</b>	<b>-</b>	<b>-</b>	<b>48,288</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	5,408	-	3,234	-	-	53,531
Support services	5,488	10,046	-	-	-	25,024
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>10,896</b>	<b>10,046</b>	<b>3,234</b>	<b>-</b>	<b>-</b>	<b>78,555</b>
Excess (deficiency) of receipts over disbursements	(10,896)	(10,046)	1,527	-	-	(30,267)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	4,842	20,502
Transfers out	-	-	-	(4,842)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,842)</b>	<b>4,842</b>	<b>20,502</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,896)	(10,046)	1,527	(4,842)	4,842	(9,765)
Cash and investments - beginning	10,896	10,046	(5,021)	4,842	-	9,765
Cash and investments - ending	\$ -	\$ -	\$ (3,494)	\$ -	\$ 4,842	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ (3,494)	\$ -	\$ 4,842	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ -	\$ -	\$ (3,494)	\$ -	\$ 4,842	\$ -

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

SOUTH HARRISON COMMUNITY 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)

	Title II Part A -2	Title II Part A 2007-2009	Title II Part D-Tech 2002-2004	Title II Part D-Tech	Retirement/ Severance Bond Debt	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 973,231	\$ 2,516,950
Intermediate sources	-	-	-	-	-	825
State sources	-	-	-	-	-	215,636
Federal sources	72,432	25,000	-	-	-	2,682,840
Sale of property, adjustments and refunds	-	-	-	18	-	8,765
<b>Total receipts</b>	<b>72,432</b>	<b>25,000</b>	<b>-</b>	<b>18</b>	<b>973,231</b>	<b>5,425,016</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	37,709	-	-	-	-	1,524,380
Support services	11,134	-	118	18	-	2,717,109
Community services	-	-	-	-	-	2,011
Nonprogrammed charges	-	-	-	-	-	52,434
Debt services	-	-	-	-	957,325	957,325
<b>Total disbursements</b>	<b>48,843</b>	<b>-</b>	<b>118</b>	<b>18</b>	<b>957,325</b>	<b>5,253,259</b>
Excess (deficiency) of receipts over disbursements	23,589	25,000	(118)	-	15,906	171,757
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	322,844
Transfers out	(20,502)	-	-	-	-	(777,501)
<b>Total other financing sources (uses)</b>	<b>(20,502)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(454,657)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,087	25,000	(118)	-	15,906	(282,900)
Cash and investments - beginning	-	-	118	-	(475,291)	429,181
Cash and investments - ending	\$ 3,087	\$ 25,000	\$ -	\$ -	\$ (459,385)	\$ 146,281
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,087	\$ 25,000	\$ -	\$ -	\$ (459,385)	\$ 146,281
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 3,087	\$ 25,000	\$ -	\$ -	\$ (459,385)	\$ 146,281

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

SOUTH HARRISON COMMUNITY 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

	Art On The Square	Susan Austin Nursing Scholarship	Special Education Knights of Columbus	Cody Rhodes Alternative School	Turner Drama Fund	Health Insurance Escrow	Riverboat Education Fund
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 1,826	\$ -	\$ -	\$ 37,369	\$ 2,627,746
Investment earnings:							
Interest	-	-	-	-	-	20,378	202,101
Total additions	-	-	1,826	-	-	57,747	2,829,847
Deductions:							
Administrative and general	1,044	-	1,382	-	-	23,165	2,484,369
Excess (deficiency) of total additions over total deductions	(1,044)	-	444	-	-	34,582	345,478
Cash and investment fund balance - beginning	1,044	75	85	65	73	356,880	3,846,136
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 529</u>	<u>\$ 65</u>	<u>\$ 73</u>	<u>\$ 391,462</u>	<u>\$ 4,191,614</u>
Net assets:							
Cash and investments	\$ -	\$ 75	\$ 529	\$ 65	\$ 73	\$ 391,462	\$ 4,191,614
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 529</u>	<u>\$ 65</u>	<u>\$ 73</u>	<u>\$ 391,462</u>	<u>\$ 4,191,614</u>

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the June 30, 2007  
 (Continued)

	Promoting Student Success - CCIS	CCHS Walmart Grant	Shireman Family Scholarship - CCHS	Kindergarten Roundup Grant	Testing Pilot 1999-2000	4-Block
Additions:						
Contributions:						
Other	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 1,318
Investment earnings:						
Interest	-	-	174	-	-	-
Total additions	-	500	174	500	-	1,318
Deductions:						
Administrative and general	-	79	-	541	-	1,424
Excess (deficiency) of total additions over total deductions	-	421	174	(41)	-	(106)
Cash and investment fund balance - beginning	33	700	4,517	41	169	6,264
Cash and investments - June 30	<u>\$ 33</u>	<u>\$ 1,121</u>	<u>\$ 4,691</u>	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ 6,158</u>
Net assets:						
Cash and investments	<u>\$ 33</u>	<u>\$ 1,121</u>	<u>\$ 4,691</u>	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ 6,158</u>
Total net assets - cash and investment basis held in trust	<u>\$ 33</u>	<u>\$ 1,121</u>	<u>\$ 4,691</u>	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ 6,158</u>

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the June 30, 2007  
 (Continued)

	CIS County Drug Free Grant	Mentor Program	CCHS In - Nextleadership Training	Literature Fair	Harrison County Community Foundation Grants	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 14,430	\$ -	\$ -	\$ 6,040	\$ 2,689,729
Investment earnings:						
Interest	-	-	-	-	-	222,653
Total additions	-	14,430	-	-	6,040	2,912,382
Deductions:						
Administrative and general	1,500	13,267	-	-	1,710	2,528,481
Excess (deficiency) of total additions over total deductions	(1,500)	1,163	-	-	4,330	383,901
Cash and investment fund balance - beginning	1,500	2,467	5	200	(6,367)	4,213,887
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 3,630</u>	<u>\$ 5</u>	<u>\$ 200</u>	<u>\$ (2,037)</u>	<u>\$ 4,597,788</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ 3,630</u>	<u>\$ 5</u>	<u>\$ 200</u>	<u>\$ (2,037)</u>	<u>\$ 4,597,788</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 3,630</u>	<u>\$ 5</u>	<u>\$ 200</u>	<u>\$ (2,037)</u>	<u>\$ 4,597,788</u>

SOUTH HARRISON COMMUNITY 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

	Susan Austin Nursing Scholarship	Special Education Knights of Columbus	Cody Rhodes Alternative School	Turner Drama Fund	Health Insurance Escrow	Riverboat Education Fund
Additions:						
Contributions:						
Other	\$ -	\$ 1,563	\$ -	\$ -	\$ -	\$ 98,293
Investment earnings:						
Interest	-	-	-	-	9,154	97,134
Total additions	-	1,563	-	-	9,154	195,427
Deductions:						
Administrative and general	75	2,092	65	73	400,616	4,387,041
Excess (deficiency) of total additions over total deductions	(75)	(529)	(65)	(73)	(391,462)	(4,191,614)
Cash and investment fund balance - beginning	75	529	65	73	391,462	4,191,614
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH HARRISON COMMUNITY 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  
 (Continued)

	Promoting Student Success - CCIS	Special Education Knights of Columbus -2	Turner Drama Fund - 2	CCHS Walmart Grant	CCHS Arts Council/Drama Grant	Health Insurance Escrow - 2
Additions:						
Contributions:						
Other	\$ -	\$ 4,389	\$ 1,147	\$ -	\$ 300	\$ 400,615
Investment earnings:						
Interest	-	-	-	-	-	5,156
Total additions	-	4,389	1,147	-	300	405,771
Deductions:						
Administrative and general	33	2,965	700	1,121	300	-
Excess (deficiency) of total additions over total deductions	(33)	1,424	447	(1,121)	-	405,771
Cash and investment fund balance - beginning	33	-	-	1,121	-	-
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,424</u>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,771</u>
Net assets:						
Cash and investments	\$ -	\$ 1,424	\$ 447	\$ -	\$ -	\$ 405,771
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,424</u>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,771</u>

SOUTH HARRISON COMMUNITY 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  
 (Continued)

	Shireman Family Scholarship - CCHS	Educator of the Year Award	Riverboat Education Fund - 2	Harrison County Community Foundation Grants - 2	Testing Pilot 1999-2000	4-Block
Additions:						
Contributions:						
Other	\$ -	\$ 2,000	\$ 4,926,464	\$ 37,963	\$ -	\$ -
Investment earnings:						
Interest	169	-	52,571	-	-	-
Total additions	<u>169</u>	<u>2,000</u>	<u>4,979,035</u>	<u>37,963</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	-	2,000	710,008	23,501	169	6,158
Excess (deficiency) of total additions over total deductions	169	-	4,269,027	14,462	(169)	(6,158)
Cash and investment fund balance - beginning	<u>4,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169</u>	<u>6,158</u>
Cash and investments - June 30	<u>\$ 4,860</u>	<u>\$ -</u>	<u>\$ 4,269,027</u>	<u>\$ 14,462</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 4,860</u>	<u>\$ -</u>	<u>\$ 4,269,027</u>	<u>\$ 14,462</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,860</u>	<u>\$ -</u>	<u>\$ 4,269,027</u>	<u>\$ 14,462</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH HARRISON COMMUNITY 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  
 (Continued)

	Mentor Program	CCHS In - Nextleadership Training	Literature Fair	Harrison County Community Foundation Grants	Totals
Additions:					
Contributions:					
Other	\$ 9,771	\$ -	\$ -	\$ 8,774	\$ 5,491,279
Investment earnings:					
Interest	-	-	-	-	164,184
Total additions	<u>9,771</u>	<u>-</u>	<u>-</u>	<u>8,774</u>	<u>5,655,463</u>
Deductions:					
Administrative and general	<u>13,401</u>	<u>5</u>	<u>200</u>	<u>6,737</u>	<u>5,557,260</u>
Excess (deficiency) of total additions over total deductions	(3,630)	(5)	(200)	2,037	98,203
Cash and investment fund balance - beginning	<u>3,630</u>	<u>5</u>	<u>200</u>	<u>(2,037)</u>	<u>4,597,788</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,695,991</u>
Net assets:					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 4,695,991
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,695,991</u>

SOUTH HARRISON COMMUNITY 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 255,294
Buildings	105,186,536
Improvements other than buildings	1,157,200
Machinery and equipment	<u>8,079,249</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 114,678,279</u>

SOUTH HARRISON COMMUNITY 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
Governmental Activities:		
Capital leases:		
Corydon Intermediate School	\$ 1,955,000	\$ 939,651
South Central Schools and Heth Washington Elementary School	4,865,000	267,231
Corydon Central High School, Corydon Elementary School, South Central Jr./Sr. and Elementary Schools, New Middletown Elementary School	36,180,000	2,201,650
Corydon Central Junior High School	11,480,000	1,207,266
Bonds payable:		
General obligation bonds:		
Pension bonds - Retirement and Severance payments	<u>6,365,000</u>	<u>955,505</u>
Total long-term debt	<u>\$ 60,845,000</u>	<u>\$ 5,571,303</u>

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

There were several funds which had overdrawn cash balances during the audit period.

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

PUBLIC WORKS PROJECT

The School Corporation contracted with Star Electric, Inc., on April 3, 2007 for the construction of lighting for Corydon Central baseball and softball fields. The following was not included with bid records presented for audit: prescribed bid form 96, bid bond, performance bond or letter of credit for an equivalent amount, and financial statements of the bidder.

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 Indiana Public School Corporations, Chapter 9)

IC 36-1-12-4.5 states in part:

"(a) The political subdivision or agency: (1) shall require a bond or a certified check to be filed with each bid by a bidder in the amount determined and specified by the board in the notice of the letting if the cost of the public work is estimated to be more than two hundred thousand dollars (\$200,000); and (2) may require a bond or a certified check to be filed with each bid by a bidder in the amount determined and specified by the board in the notice of the letting if the cost of the public work is estimated to be not more than two hundred thousand dollars (\$200,000). (b) The amount may not be set at more than 10% of the contract price. The bond or certified check shall be made payable to the political subdivision or agency . . ."

IC 36-1-12-14(e) states in part:

". . . the contractor shall furnish the board with a performance bond equal to the contract price. If acceptable to the board, the bond may provide for incremental bonding in the form of multiple or chronological bonds that, when taken as a whole, equal the contract price. The surety on the performance bond may not be released until one (1) year after the date of the board's final settlement with the contractor. . . ."

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

IC 36-1-12-4(b)(6) states in part:

"If the cost of a project is \$100,000 or more, the board shall require the bidder to submit a financial statement, a statement of experience, a proposed plan or plans for performing the public work, and the equipment that the bidder has available for the performance of the public work. . . ."

ACADEMIC HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates the number of students receiving academic honors diplomas as reported by the School Corporation to the Indiana Department of Education were incorrect for the Class of 2006 reported in the Fall of 2006 as follows:

School Year	Academic Honors Diplomas Count Reported to DOE	Actual Figures	Difference
2006-2007	44	34	10

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

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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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 SOUTH HARRISON COMMUNITY  
SCHOOL CORPORATION, HARRISON COUNTY, INDIANA

Compliance

We have audited the compliance of the South Harrison Community 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 2008-2.

Internal Control Over Compliance

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

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

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

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 Official Response 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, 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

May 26, 2009

SOUTH HARRISON COMMUNITY SCHOOL SYSTEM  
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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 135,292	\$ 138,657
National School Lunch Program	10.555		<u>484,048</u>	<u>500,871</u>
Total for federal grantor agency			<u>619,340</u>	<u>639,528</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States				
FY 04-05 C/O	84.027		22,509	-
FY 05-06		14205-028-SN01	156,196	-
FY 05-06 C/O		14206-048-PN01	103,198	41,144
FY 06-07		14206-028-PY02	984,500	178,272
FY 06-07 C/O		14207-028-PN01	-	63,636
FY 07-08		14207-048-PN02	-	1,004,165
		14208-028-SN01	<u>-</u>	<u>-</u>
Total for program			<u>1,266,403</u>	<u>1,287,217</u>
Special Education - Preschool Grants				
FY 05-06	84.173		-	-
FY 06-07		45706-028-PN01	31,805	-
FY 07-08		45707-028-PN01	41,768	-
		45708-028-PN01	<u>-</u>	<u>33,712</u>
Total for program			<u>73,573</u>	<u>33,712</u>
Total for cluster			<u>1,339,976</u>	<u>1,320,929</u>
Title 1 Grants to Local Educational Agencies				
FY 05-06 CSR	84.010		90,586	-
FY 06-07 CSR		06-3190	14,353	708
FY 05-06 (2)		07-3190	38	-
FY 06-07 (2)		06-3190	12,491	-
FY 07-08 (2)		07-3190	-	7,139
FY 05-06		06-3190	79,913	-
FY 06-07		07-3190	226,342	115,997
FY 07-08		08-3190	<u>-</u>	<u>300,410</u>
Total for program			<u>423,723</u>	<u>424,254</u>
Pass-Through New Albany-Floyd County Consolidated School Corporation				
Vocational Education - Basic Grants to States				
FY 06-07	84.048		22,234	-
FY 07-08		06-4700-45-2400	-	3,234
		07-4700-45-2400	<u>-</u>	<u>-</u>
Total for program			<u>22,234</u>	<u>3,234</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants				
SY 2004-2006	84.186		13,603	-
SY 2005-2007		04-355	2,239	10,896
SY 2006-2008		05-279	-	1,102
SY 2007-2009		3190-06	-	3,610
		3190-07	<u>-</u>	<u>-</u>
Total for program			<u>15,842</u>	<u>15,608</u>
State Grants for Innovative Programs				
SY 04-06	84.298		15,952	-
SY 05-07		04-304	10,216	214
		05-291	<u>-</u>	<u>-</u>
Total for program			<u>26,168</u>	<u>214</u>
Education Technology State Grants				
SY 05-07	84.318		11,588	100
Improving Teacher Quality State Grants				
SY 2005-2007	84.367		139,608	-
SY 2006-2008		05-142	-	127,399
		06-3190	<u>-</u>	<u>-</u>
Total for program			<u>139,608</u>	<u>127,399</u>
Total for federal grantor agency			<u>1,979,139</u>	<u>1,891,738</u>
Total federal awards expended			<u>\$ 2,598,479</u>	<u>\$ 2,531,266</u>

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

SOUTH HARRISON COMMUNITY 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 South Harrison Community 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	\$ 22,639	\$ 19,654
National School Lunch Program	10.555	82,379	70,361

SOUTH HARRISON COMMUNITY 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	Special Education Cluster Child Nutrition Cluster Title 1 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

FINDING 2008-1, OVERDRAWN FUND BALANCES

South Harrison Community School Corporation is a participant with North Harrison Community School Corporation and Lanesville Community School Corporation in a joint venture to operate the Harrison County Exceptional Learners Cooperative (Co-op). The Co-op was created to provide instruction for handicapped children. The Co-op is funded by federal grants and funds provided by the participating School Corporations.

The Joint Service Agreement states that South Harrison Community School Corporation will be the administering corporation. The Superintendent's Governing Board minutes state that "Each participating corporation's share will be divided into four payments. The first payment shall be due and

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

payable after August 1 and prior to August 15. The second payment shall be due and payable after October 1 and prior to October 15. The third payment shall be deemed due and payable after January 1 and prior to January 15. The remaining one-fourth shall be due and payable at the end of the fiscal year upon billing by the Legal Educational Agency" (Administering Corporation).

The School Corporation has posted Co-op expenses to various funds. At June 30, 2008, these funds had deficit balances totaling \$227,414.20 that primarily resulted from the participating schools not having paid their share of the Co-op's expenses. At December 31, 2008, the deficit balance had been reduced to \$59,994.12 primarily because the South Harrison Community School Corporation paid the remainder of their share of 2007-08 expenses of \$145,833.68 and North Harrison Community School paid \$229,139.65 in December 2008 as their share for the 2007-08 school year.

The School Corporation should comply with the Co-op agreement by billing each participating school corporation timely to prevent deficit balances from existing. Each participating school corporation should also budget sufficient monies to pay their share of the Co-op's expenses.

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-2, 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: 07-3190, 08-3190  
Pass-Through Entity: Indiana Department of Education

The School Corporation maintained cash balances in excess of current needs for 16 of the 24 months during the period audited for the Title 1 Grants to Local Educational Agencies. Cash drawdown requests were not always revised to ensure there would not be excess cash on hand at the end of subsequent months.

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 disbursements by grantees and sub-grantees must be followed whenever advance payment procedures are used. . . . Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to the grantees.

Failure to adhere to this requirement could cause the School Corporation to be deemed ineligible to receive federal awards in the future.

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



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**Dr. Neyland G. Clark**  
Superintendent

**Jeff Hauswald**  
Assistant Superintendent

Indiana State Board of Accounts  
302 West Washington Street  
Room E418  
Indianapolis, IN 46204-2738

Summary Scheduled of Prior Audit Findings - Section III – Finding 2006-2, 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: 05-3190, 06-3190  
Pass-Through Entity: Indiana Department of Education

**Mission Statement**

*The mission of South Harrison Community School Corporation is to create an environment which develops, nurtures and reinforces the success of students as well as all people served by the corporation. Further, through the shared involvement of home, community and school, our purpose is to develop and provide quality work to prepare each student to think, reason and participate in a diverse society as a lifelong, self-directed learner.*

**Vision Statement**

*We envision schools in which students experience success through authentic, real-life learning activities, focusing on an appreciation of the diversity of society and the ever-changing world, thus creating the greatest opportunities for students after graduation.*

Cash balances exceeded the permitted levels in 21 of the 24 months ended June 30, 2006. The monitoring of these balances continues to present unique and difficult challenges due to the fluctuations in spending related to the billings for supplemental services. South Harrison Community School Corporation is required to provide for these services due to the Adequate Yearly Progress status of the Corporation and/or schools within the Corporation pursuant to the No Child Left Behind Act. However, the number of children receiving services, the frequency of services provided and the timing of the billings is not consistent from month-to-month. A percentage of the funds is required to be set aside for such services until the conclusion of the grant period. At that time, amendments are requested to expend the funds in other manners as permitted within the parameters of the Title I program. All such amendments are carefully reviewed by the Indiana Department of Education to assure the appropriate expenditure of funds.

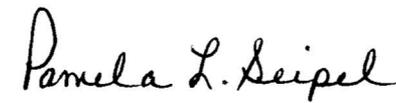
Collaboration with the Title I director to determine patterns of expenditure will be conducted to more provide cash flows that more appropriately follow such patterns of expenditures. Further, the business office of the South Harrison Community School Corporation will monitor these balances on a monthly basis and adjust cash management requests to verify that balances do not exceed imposed limitations.

In closing, it is the desire of the South Harrison Community School Corporation to fully comply with all requirements pertaining to the administration of all funds entrusted to the Corporation.

Respectfully submitted,

  
Neyland G. Clark  
Superintendent

*An Equal Opportunity  
Employer*

  
Pamela L. Seipel  
Treasurer



**315 South Harrison Drive, Corydon, IN 47112 • Phone (812) 738-2168 • Fax (812) 738-2158**

*Dr. Neyland G. Clark  
Superintendent*

*Jeff Hauswald  
Assistant Superintendent*

Indiana State Board of Accounts  
302 West Washington Street  
Room E418  
Indianapolis, IN 46204-2738

Corrective Action Plan - Section II – Finding 2008-1, Overdrawn Fund Balances

**Mission Statement**

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**Vision Statement**

*We envision schools in which students experience success through authentic, real-life learning activities, focusing on an appreciation of the diversity of society and the ever-changing world, thus creating the greatest opportunities for students after graduation.*

South Harrison Community School Corporation continues to closely monitor fund balances associated with the Harrison County Exceptional Learners Cooperative. Final billings have been paid in full by all participating corporations through the 2007-2008 school year. Amounts due from the member corporations have begun to stabilize within the past 2 years which provides for interim billings to be issued. It is anticipated that beginning with the budget cycle 2009-2010, interim billings will be prepared and each of the corporations will have budgeted adequate funding within their general operations for their share of the cooperative expenses. Further, cash management requests for grant receipts continue to be aligned to a month-by-month projection that aligns to actual and projected expenditure patterns.

In closing, it is the desire of the South Harrison Community School Corporation to fully comply with all requirements pertaining to the administration of all funds entrusted to the Corporation.

Respectfully submitted,

  
Neyland G. Clark  
Superintendent

  
Pamela L. Seipel  
Treasurer

*An Equal Opportunity  
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Corrective Action Plan - Section III – Finding 2008-2, 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: 07-3190, 08-3190  
Pass-Through Entity: Indiana Department of Education

**Mission Statement**

*The mission of South Harrison Community School Corporation is to create an environment which develops, nurtures and reinforces the success of students as well as all people served by the corporation. Further, through the shared involvement of home, community and school, our purpose is to develop and provide quality work to prepare each student to think, reason and participate in a diverse society as a lifelong, self-directed learner.*

**Vision Statement**

*We envision schools in which students experience success through authentic, real-life learning activities, focusing on an appreciation of the diversity of society and the ever-changing world, thus creating the greatest opportunities for students after graduation.*

Cash balances exceeded the permitted levels in 16 of the 24 months ended June 30, 2008. Following the previous audit period, monitoring of balances did provide for fewer months in which the balances exceeded imposed limitations. However, there remains work to be done. Therefore, detailed collaboration with the Title I director to determine patterns of expenditure will be conducted to more provide cash flows that more appropriately follow such patterns of expenditures. Further, the business office of the South Harrison Community School Corporation will continue to monitor these balances on a monthly basis and adjust cash management requests to verify that balances do not exceed imposed limitations.

In closing, it is the desire of the South Harrison Community School Corporation to fully comply with all requirements pertaining to the administration of all funds entrusted to the Corporation.

Respectfully submitted,

  
Neyland G. Clark  
Superintendent

  
Pamela L. Seipel  
Treasurer

*An Equal Opportunity  
Employer*

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on May 26, 2009, with Dr. Neyland G. Clark, Superintendent of Schools; Pamela L. Seipel, Treasurer; Carolyn Wallace, Director of Business Operations; and Roger Windell, President of the School Board. The officials concurred with our audit findings.