

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

AUDIT REPORT

OF

BROWN COUNTY SCHOOLS

BROWN COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

06/24/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	3
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards.....	4-5
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	6-7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	8-9
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	10-11
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund	12-13
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	14-15
Notes to Financial Statements	16-26
Required Supplementary Information:	
Schedule of Funding Progress	27
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	28-47
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	48-52
Schedule of Capital Assets.....	53
Schedule of Long-Term Debt	54

TABLE OF CONTENTS
(Continued)

<u>Description</u>	<u>Page</u>
Audit Results and Comments:	
Credit Cards.....	55
Prescribed Forms	56
Condition of Records	56
Timely Recordkeeping.....	56
Deposits Not Timely	57
Deposit Classifications	57
Federal and State Agencies – Compliance Requirements	57
Collection of Amounts Due	57
Transfer Tuition.....	58
Overdrawn Fund Balances	58
Capital Asset Records	58
Deposits – ECA Accounts	58
Condition of Records – ECA Accounts.....	59
Disbursement Documentation	59
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	62-63
Schedule of Expenditures of Federal Awards	64
Notes to Schedule of Expenditures of Federal Awards.....	65
Schedule of Findings and Questioned Costs	66
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	67-71
Exit Conference.....	72

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Harvey (Zurwell)	07-01-06 to 09-01-06
	Vacant	09-02-06 to 10-15-06
	Carol S. Owens (Interim)	10-16-06 to 05-16-07
	Carol S. Owens	05-17-07 to 06-30-09
Superintendent of Schools	D. Lynn Reed	07-01-06 to 06-30-07
	David Shaffer	07-01-07 to 06-30-12
President of the School Board	Teresa Waltman	07-01-06 to 06-30-07
	Zac Gredy	07-01-07 to 08-02-07
	Teresa Waltman	08-03-07 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown County Schools (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 23, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

STATE BOARD OF ACCOUNTS

April 23, 2009



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

TO: THE OFFICIALS OF THE BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown County Schools (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

April 23, 2009

BROWN COUNTY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 11,755,972	\$ -	\$ 104,973	\$ (11,650,999)
Support services	11,708,360	679,626	455,540	(10,573,194)
Community services	160,729	-	-	(160,729)
Nonprogrammed charges	194,464	-	-	(194,464)
Debt service	<u>20,413,879</u>	<u>-</u>	<u>-</u>	<u>(20,413,879)</u>
Total government	<u>\$ 44,233,404</u>	<u>\$ 679,626</u>	<u>\$ 560,513</u>	<u>(42,993,265)</u>
General receipts:				
Property taxes				10,696,349
Other local sources				2,442,703
State aid				7,177,060
Bonds and loans				24,260,000
Grants and contributions not restricted to specific programs				1,786,452
Sale of property, adjustments, and refunds				30,090
Investment earnings				<u>411,400</u>
Total general receipts				<u>46,804,054</u>
Change in net assets				3,810,789
Net assets - beginning				<u>5,387,060</u>
Net assets - ending				<u>\$ 9,197,849</u>
<u>Assets</u>				
Cash and investments				\$ 7,807,304
Restricted assets:				
Cash and investments				<u>1,390,545</u>
Total assets				<u>\$ 9,197,849</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,386,717
Other purposes				3,828
Unrestricted				<u>7,807,304</u>
Total net assets				<u>\$ 9,197,849</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>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	\$ 11,474,554	\$ -	\$ 301,149	\$ (11,173,405)
Support services	9,480,272	730,397	507,855	(8,242,020)
Community services	168,807	-	-	(168,807)
Nonprogrammed charges	166,209	-	-	(166,209)
Debt service	17,394,878	-	-	(17,394,878)
	<u>\$ 38,684,720</u>	<u>\$ 730,397</u>	<u>\$ 809,004</u>	<u>(37,145,319)</u>
Total government				
General receipts:				
Property taxes				14,418,035
Other local sources				2,979,503
State aid				6,391,611
Bonds and loans				14,029,000
Grants and contributions not restricted to specific programs				942,819
Sale of property, adjustments, and refunds				31,818
Investment earnings				416,275
Total general receipts				<u>39,209,061</u>
Change in net assets				2,063,742
Net assets - beginning				<u>9,197,849</u>
Net assets - ending				<u>\$ 11,261,591</u>
<u>Assets</u>				
Cash and investments				\$ 10,635,395
Restricted assets:				
Cash and investments				<u>626,196</u>
Total assets				<u>\$ 11,261,591</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 608,326
Other purposes				17,870
Unrestricted				<u>10,635,395</u>
Total net assets				<u>\$ 11,261,591</u>

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

BROWN COUNTY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 6,598,329	\$ 2,011,761	\$ 2,169,667	\$ 1,826,027	\$ 160,552	\$ 1,462,113	\$ 14,228,449
Intermediate sources	710	-	-	-	-	919	1,629
State sources	7,259,717	-	-	-	-	196,047	7,455,764
Federal sources	-	-	-	-	-	2,068,261	2,068,261
Bonds and loans	15,760,000	1,865,000	3,510,000	2,930,000	195,000	-	24,260,000
Sale of property, adjustments and refunds	4,022	3,783	-	13,951	-	8,333	30,089
Total receipts	29,622,778	3,880,544	5,679,667	4,769,978	355,552	3,735,673	48,044,192
Disbursements:							
Current:							
Instruction	10,523,125	-	-	-	-	1,232,847	11,755,972
Support services	4,544,979	1,775,366	2,624	2,021,939	44,605	3,318,847	11,708,360
Community services	153,033	-	-	-	-	7,696	160,729
Nonprogrammed charges	179,658	-	-	-	-	249,603	429,261
Debt services	11,110,494	1,815,000	4,547,444	2,546,489	111,000	283,452	20,413,879
Total disbursements	26,511,289	3,590,366	4,550,068	4,568,428	155,605	5,092,445	44,468,201
Excess (deficiency) of receipts over disbursements	3,111,489	290,178	1,129,599	201,550	199,947	(1,356,772)	3,575,991
Other financing sources (uses):							
Transfers in	354,897	-	-	-	-	38,126	393,023
Transfers out	-	-	-	(353,397)	-	(39,626)	(393,023)
Total other financing sources (uses)	354,897	-	-	(353,397)	-	(1,500)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,466,386	290,178	1,129,599	(151,847)	199,947	(1,358,272)	3,575,991
Cash and investments - beginning	1,775,566	984,368	115,437	752,008	75,821	1,914,830	5,618,030
Cash and investments - ending	<u>\$ 5,241,952</u>	<u>\$ 1,274,546</u>	<u>\$ 1,245,036</u>	<u>\$ 600,161</u>	<u>\$ 275,768</u>	<u>\$ 556,558</u>	9,194,021
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							3,828
Net assets of governmental activities							<u>\$ 9,197,849</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,241,952	\$ 1,274,546	\$ -	\$ 600,161	\$ 275,768	\$ 414,877	\$ 7,807,304
Restricted assets:							
Cash and investments	-	-	1,245,036	-	-	141,681	1,386,717
Total cash and investment assets - ending	<u>\$ 5,241,952</u>	<u>\$ 1,274,546</u>	<u>\$ 1,245,036</u>	<u>\$ 600,161</u>	<u>\$ 275,768</u>	<u>\$ 556,558</u>	<u>\$ 9,194,021</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,245,036	\$ -	\$ -	\$ 141,681	\$ 1,386,717
Unrestricted	5,241,952	1,274,546	-	600,161	275,768	414,877	7,807,304
Total cash and investment fund balance - ending	<u>\$ 5,241,952</u>	<u>\$ 1,274,546</u>	<u>\$ 1,245,036</u>	<u>\$ 600,161</u>	<u>\$ 275,768</u>	<u>\$ 556,558</u>	<u>\$ 9,194,021</u>

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

BROWN COUNTY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 7,991,067	\$ 2,568,309	\$ 5,096,577	\$ 2,028,488	\$ -	\$ 858,791	\$ 18,543,232
Intermediate sources	340	-	-	-	-	638	978
State sources	6,586,617	-	-	-	-	300,203	6,886,820
Federal sources	-	-	-	-	-	1,256,614	1,256,614
Bonds and loans	9,932,000	1,034,000	670,000	2,138,000	207,000	48,000	14,029,000
Sale of property, adjustments and refunds	8,690	1,189	-	-	-	21,939	31,818
Interfund loans	-	-	-	-	-	7,272	7,272
Total receipts	24,518,714	3,603,498	5,766,577	4,166,488	207,000	2,493,457	40,755,734
Disbursements:							
Current:							
Instruction	8,823,847	-	-	-	-	2,650,707	11,474,554
Support services	4,510,637	1,935,603	4,603	1,605,666	115,424	1,308,339	9,480,272
Community services	159,897	-	-	-	-	8,910	168,807
Nonprogrammed charges	180,251	-	-	-	-	-	180,251
Debt services	9,019,000	1,338,000	5,362,925	1,403,000	75,000	196,953	17,394,878
Interfund loans	-	-	7,272	-	-	-	7,272
Total disbursements	22,693,632	3,273,603	5,374,800	3,008,666	190,424	4,164,909	38,706,034
Excess (deficiency) of receipts over disbursements	1,825,082	329,895	391,777	1,157,822	16,576	(1,671,452)	2,049,700
Other financing sources (uses):							
Transfers in	-	-	-	-	-	1,766,643	1,766,643
Transfers out	-	(700,000)	(1,028,487)	-	-	(38,156)	(1,766,643)
Total other financing sources (uses)	-	(700,000)	(1,028,487)	-	-	1,728,487	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,825,082	(370,105)	(636,710)	1,157,822	16,576	57,035	2,049,700
Cash and investments - beginning	5,241,952	1,274,546	1,245,036	600,161	275,768	556,558	9,194,021
Cash and investments - ending	\$ 7,067,034	\$ 904,441	\$ 608,326	\$ 1,757,983	\$ 292,344	\$ 613,593	11,243,721
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							17,870
Net assets of governmental activities							\$ 11,261,591
Cash and Investment Assets - Ending							
Cash and investments	\$ 7,067,034	\$ 904,441	\$ -	\$ 1,757,983	\$ 292,344	\$ 613,593	\$ 10,635,395
Restricted assets:							
Cash and investments	-	-	608,326	-	-	-	608,326
Total cash and investment assets - ending	\$ 7,067,034	\$ 904,441	\$ 608,326	\$ 1,757,983	\$ 292,344	\$ 613,593	\$ 11,243,721
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 608,326	\$ -	\$ -	\$ -	\$ 608,326
Unrestricted	7,067,034	904,441	-	1,757,983	292,344	613,593	10,635,395
Total cash and investment fund balance - ending	\$ 7,067,034	\$ 904,441	\$ 608,326	\$ 1,757,983	\$ 292,344	\$ 613,593	\$ 11,243,721

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

BROWN COUNTY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 1,771,329
Miscellaneous	<u>382,932</u>
Total operating receipts	<u>2,154,261</u>
Operating disbursements:	
Insurance claims and expense	1,908,210
Other	<u>11,253</u>
Total operating disbursements	<u>1,919,463</u>
Excess of operating receipts over operating disbursements	234,798
Cash and investment fund balance - beginning	<u>(230,970)</u>
Cash and investment fund balance - ending	<u>\$ 3,828</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 3,828</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 3,828</u>

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

BROWN COUNTY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 2,260,366
Miscellaneous	<u>224,417</u>
Total operating receipts	<u>2,484,783</u>
Operating disbursements:	
Insurance claims and expense	<u>2,470,741</u>
Excess of operating receipts over operating disbursements	14,042
Cash and investment fund balance - beginning	<u>3,828</u>
Cash and investment fund balance - ending	<u><u>\$ 17,870</u></u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 17,870</u></u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 17,870</u></u>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 965,836	
Deductions:			
Benefits	118,545	-	
Administrative and general	-	323,614	
Total deductions	118,545	323,614	
Excess (deficiency) of total additions over total deductions	(118,545)	642,222	
Cash and investment fund balance - beginning	1,023,900	11,242	
Cash and investment fund balance - ending	\$ 905,355	\$ 653,464	\$ 12,257
Net assets:			
Cash and investments	\$ 905,355	\$ 653,464	
Total net assets - cash and investment basis held in trust	\$ 905,355	\$ 653,464	

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 17,190	
Investment earnings:			
Interest	-	5,432	
Total additions	-	22,622	
Deductions:			
Benefits	88,367	-	
Administrative and general	-	186,987	
Total deductions	88,367	186,987	
Deficiency of total additions over total deductions	(88,367)	(164,365)	
Cash and investment fund balance - beginning	905,355	653,464	
Cash and investment fund balance - ending	\$ 816,988	\$ 489,099	\$ 14,152
Net assets:			
Cash and investments	\$ 816,988	\$ 489,099	
Total net assets - cash and investment basis held in trust	\$ 816,988	\$ 489,099	

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Brown County Schools

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

Joint Venture

The School Corporation is a participant with Bartholomew Consolidated School Corporation, Crothersville Community School Corporation, Seymour Community School Corporation, Greensburg Community School Corporation, and Decatur County School Corporation, in a joint venture to operate Bartholomew County Special Services Cooperative which was created to provide special education services. The Cooperative's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Cooperative can be obtained from Bartholomew Consolidated School Corporation, 1200 Central Avenue, Columbus, IN 47201.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for employee health benefits.

The pension trust funds account for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

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

Agency funds account for assets held by the School Corporation as an agent for payroll withholdings.

C. Measurement Focus and Basis of Accounting

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

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

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

BROWN COUNTY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

Due to Brown County property reassessment issues, property taxes were not billed or settled in a timely manner as noted below:

<u>Tax Billing Cycle</u>	<u>Normal Tax Settlement (on or before)</u>	<u>Actual Tax Settlement</u>
2004 pay 2005	June 30, 2005 and December 31, 2005	September 28, 2006
2005 pay 2006	June 30, 2006 and December 31, 2006	August 10, 2007
2006 pay 2007	June 30, 2007 and December 31, 2007	January 21, 2009
2007 pay 2008	June 30, 2008 and December 31, 2008	Not yet settled as of March 31, 2009

3. Capital Assets

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

BROWN COUNTY SCHOOLS
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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

BROWN COUNTY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. 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	June 30, 2008
High School Day Care Program	\$ 9,519
Teaching American History Grant	32,107
Title II Class Size Reduction 2007/2008	11,473

BROWN COUNTY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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 and Investments

1. Deposits

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

2. Investments

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Mutual funds	\$ 10,392,448

Statutory Authorization for Investments

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

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

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

B. Interfund Transfers

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

Transfer From	Transfer To	2006/2007	2007/2008
Capital Projects Fund	General Fund	\$ 353,397	\$ -
Other governmental funds	General Fund	1,500	-
Other governmental funds	Other governmental funds	38,126	-
Transportation Fund	Other governmental funds	-	700,000
Debt Service Fund	Other governmental funds	-	1,028,487
Other governmental funds	Other governmental funds	-	38,156
Totals		<u>\$ 393,023</u>	<u>\$ 1,766,643</u>

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

IV. Other Information

A. Risk Management

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

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

BROWN COUNTY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Employee Benefit Trust Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$65,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program.

B. Holding Corporation

The School Corporation has entered into a capital lease with Brown County High 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 for the years ending June 30, 2007 and 2008, were \$963,000.

C. Subsequent Events

Tax Anticipation Warrants were issued after June 30, 2008, as described below:

	2008 Pay 2009
Debt Service	\$ 1,316,500
Transportation	32,738
Pension Debt Service	15,717
Total	\$ 1,364,955
Issued	January 29, 2009

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health 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 20 years of service. Currently, twenty-two retirees meet these eligibility requirements. The School Corporation provides the first \$5,000 per retired employee per year of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 160,992
Interest on net pension obligation	(8,845)
Adjustment to annual required contribution	10,080
Annual pension cost	162,227
Contributions made	180,917
Decrease in net pension obligation	(18,690)
Net pension obligation, beginning of year	(122,002)
Net pension obligation, end of year	\$ (140,692)

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6.50%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	29 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 152,390	91%	\$ (115,546)
	06-30-07	162,193	104%	(122,002)
	06-30-08	162,227	112%	(140,692)

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.

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 \$328,363, \$314,409, and \$298,210, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

BROWN COUNTY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,501,000	\$ 2,552,343	\$ (51,343)	98%	\$ 2,486,769	(2%)
07-01-07	2,793,387	2,824,886	(31,499)	99%	2,448,150	(1%)
07-01-08	3,150,215	3,155,772	(5,557)	100%	2,614,395	(0%)

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

	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Special Education Cooperative	Cooperative School 2002/2003	Cooperative School 2004/2005
Receipts:							
Local sources	\$ 36,585	\$ -	\$ 505,807	\$ 120,815	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	83,684	-	14,678	75,327	-	-	-
Federal sources	-	-	365,665	-	-	-	367,098
Sale of property, adjustments and refunds	-	-	8,146	71	-	-	-
Total receipts	120,269	-	894,296	196,213	-	-	367,098
Disbursements:							
Current:							
Instruction	99,947	-	-	-	-	-	4,902
Support services	-	-	866,979	160,605	50	1,456	347,987
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	24,000	-	-	-	-	-	-
Total disbursements	123,947	-	866,979	160,605	50	1,456	352,889
Excess (deficiency) of receipts over disbursements	(3,678)	-	27,317	35,608	(50)	(1,456)	14,209
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,678)	-	27,317	35,608	(50)	(1,456)	14,209
Cash and investments - beginning	65,765	3,917	37,043	28,422	50	1,456	(14,209)
Cash and investments - ending	<u>\$ 62,087</u>	<u>\$ 3,917</u>	<u>\$ 64,360</u>	<u>\$ 64,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 62,087	\$ 3,917	\$ 64,360	\$ 64,030	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 62,087	\$ 3,917	\$ 64,360	\$ 64,030	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	62,087	3,917	64,360	64,030	-	-	-
Total cash and investment fund balance - ending	\$ 62,087	\$ 3,917	\$ 64,360	\$ 64,030	\$ -	\$ -	\$ -

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

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

	Cooperative School 2005/2006	Cooperative School 2006/2007	High School Day Care Program	Education Plate Fee	Alternative Education	Donations	Local Rural Capacity Grant
Receipts:							
Local sources	\$ -	\$ -	\$ 53,538	\$ -	\$ -	\$ 8,732	\$ -
Intermediate sources	-	-	-	919	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	135,483	366,335	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	135,483	366,335	53,538	919	-	8,732	-
Disbursements:							
Current:							
Instruction	(78,491)	89,745	63,605	143	-	-	-
Support services	15,448	228,590	-	-	-	8,209	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	(63,043)	318,335	63,605	143	-	8,209	-
Excess (deficiency) of receipts over disbursements	198,526	48,000	(10,067)	776	-	523	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	198,526	48,000	(10,067)	776	-	523	-
Cash and investments - beginning	(198,526)	-	18,378	6,058	6,949	435	5,000
Cash and investments - ending	\$ -	\$ 48,000	\$ 8,311	\$ 6,834	\$ 6,949	\$ 958	\$ 5,000
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 48,000	\$ 8,311	\$ 6,834	\$ 6,949	\$ 958	\$ 5,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 48,000	\$ 8,311	\$ 6,834	\$ 6,949	\$ 958	\$ 5,000
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	48,000	8,311	6,834	6,949	958	5,000
Total cash and investment fund balance - ending	\$ -	\$ 48,000	\$ 8,311	\$ 6,834	\$ 6,949	\$ 958	\$ 5,000

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

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

	Pitcher Estate Interest	Psi Iota XI	Alternative School Technology	Toyota Tapestry Grant	Fleener Estate Interest	Local At Risk Grant	Junior High After School Donation
Receipts:							
Local sources	\$ 155	\$ 4,800	\$ -	\$ -	\$ -	\$ 2,500	\$ 10,829
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	155	4,800	-	-	-	2,500	10,829
Disbursements:							
Current:							
Instruction	-	4,500	709	-	-	2,000	10,373
Support services	556	-	-	-	-	114	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	556	4,500	709	-	-	2,114	10,373
Excess (deficiency) of receipts over disbursements	(401)	300	(709)	-	-	386	456
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(401)	300	(709)	-	-	386	456
Cash and investments - beginning	879	-	709	5,000	122	-	38
Cash and investments - ending	<u>478</u>	<u>300</u>	<u>-</u>	<u>5,000</u>	<u>122</u>	<u>386</u>	<u>494</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 478	\$ 300	\$ -	\$ 5,000	\$ 122	\$ 386	\$ 494
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>478</u>	<u>300</u>	<u>-</u>	<u>5,000</u>	<u>122</u>	<u>386</u>	<u>494</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	478	300	-	5,000	122	386	494
Total cash and investment fund balance - ending	<u>478</u>	<u>300</u>	<u>-</u>	<u>5,000</u>	<u>122</u>	<u>386</u>	<u>494</u>

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

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

	High School Intervention 2003/2004	Gifted and Talented 2005/2006	Gifted and Talented 2006/2007	Gifted and Talented 2004/2005	Gifted and Talented 2003/2004	Gifted and Talented 2002/2003	Teacher Quality Improvement
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	14,363	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	14,363	-	-	-	-
Disbursements:							
Current:							
Instruction	-	6,491	5,598	(335)	36	1	468
Support services	21	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	21	6,491	5,598	(335)	36	1	468
Excess (deficiency) of receipts over disbursements	(21)	(6,491)	8,765	335	(36)	(1)	(468)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21)	(6,491)	8,765	335	(36)	(1)	(468)
Cash and investments - beginning	21	6,491	-	(335)	36	1	468
Cash and investments - ending	\$ -	\$ -	\$ 8,765	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 8,765	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 8,765	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	8,765	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 8,765	\$ -	\$ -	\$ -	\$ -

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

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

	Technical Preparatory Art	Step Ahead Junior High	Medicaid Reimbursement	Junior High Excess Funds 2003/2004	Indiana Heritage Arts Grant	CRC Donations	Non-English Speaking Program
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,027	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	13,027	-
Disbursements:							
Current:							
Instruction	1,267	33	-	-	133	1,380	250
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,267	33	-	-	133	1,380	250
Excess (deficiency) of receipts over disbursements	(1,267)	(33)	-	-	(133)	11,647	(250)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,267)	(33)	-	-	(133)	11,647	(250)
Cash and investments - beginning	1,267	33	5,739	182	133	12,367	250
Cash and investments - ending	\$ -	\$ -	\$ 5,739	\$ 182	\$ -	\$ 24,014	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 5,739	\$ 182	\$ -	\$ 24,014	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 5,739	\$ 182	\$ -	\$ 24,014	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	5,739	182	-	24,014	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 5,739	\$ 182	\$ -	\$ 24,014	\$ -

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

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

	Technology USAC E-Rate	PBA 2001	Indiana School Academic Improvement Progress	Access In-Phones Lines	Junior High Holding Corporation	CSHP Coordinator School Health Program 2004	Beginning Teacher Internship
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	7,995
Federal sources	35,181	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	35,181	-	-	-	-	-	7,995
Disbursements:							
Current:							
Instruction	-	750	-	-	-	-	4,423
Support services	(1,003)	-	1,386	1,030	566	-	-
Community services	-	-	-	-	-	(17)	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	(1,003)	750	1,386	1,030	566	(17)	4,423
Excess (deficiency) of receipts over disbursements	36,184	(750)	(1,386)	(1,030)	(566)	17	3,572
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,184	(750)	(1,386)	(1,030)	(566)	17	3,572
Cash and investments - beginning	(3,246)	750	1,386	1,030	566	(17)	223
Cash and investments - ending	\$ 32,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,795
Cash and Investment Assets - Ending							
Cash and investments	\$ 32,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,795
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 32,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,795
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	32,938	-	-	-	-	-	3,795
Total cash and investment fund balance - ending	\$ 32,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,795

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

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

	Even Start 2004/2005	Title I 2006/2007	Title I Van Buren School Improvement 2006/2007	Title I 2000/2001	Title I 2003/2004	Title I 2004/2005	Title I 2005/2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	189,072	7,531	-	1,772	-	38,400
Sale of property, adjustments and refunds	-	-	-	-	(155)	-	-
Total receipts	-	189,072	7,531	-	1,617	-	38,400
Disbursements:							
Current:							
Instruction	-	194,216	-	(1)	-	(1,304)	129,052
Support services	-	2,182	-	-	1,772	2,500	14,431
Community services	-	1,984	-	-	-	-	4,811
Nonprogrammed charges	11,050	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	11,050	198,382	-	(1)	1,772	1,196	148,294
Excess (deficiency) of receipts over disbursements	(11,050)	(9,310)	7,531	1	(155)	(1,196)	(109,894)
Other financing sources (uses):							
Transfers in	-	25,432	-	-	-	2,226	10,468
Transfers out	-	-	-	-	(2,226)	(10,468)	(25,432)
Total other financing sources (uses)	-	25,432	-	-	(2,226)	(8,242)	(14,964)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,050)	16,122	7,531	1	(2,381)	(9,438)	(124,858)
Cash and investments - beginning	11,050	-	-	(1)	2,381	9,438	124,858
Cash and investments - ending	\$ -	\$ 16,122	\$ 7,531	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 16,122	\$ 7,531	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 16,122	\$ 7,531	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	16,122	7,531	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 16,122	\$ 7,531	\$ -	\$ -	\$ -	\$ -

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

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

	Title V Innovative Programs 2003/2004	Title V Innovative Programs 2004/2005	Title V Innovative Programs Part A 2004/2005	Title V Innovative Programs 2005/2006	Adult Education Outreach 2003/2004	Adult Education Outreach 2004/2005	Special Education IDEA 2005/2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	8,087	3,601	-	-	259,495
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	8,087	3,601	-	-	259,495
Disbursements:							
Current:							
Instruction	-	-	2,679	1,725	1	(961)	384,476
Support services	(3,200)	8,847	-	-	-	-	2,845
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	(3,200)	8,847	2,679	1,725	1	(961)	387,321
Excess (deficiency) of receipts over disbursements	3,200	(8,847)	5,408	1,876	(1)	961	(127,826)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,200	(8,847)	5,408	1,876	(1)	961	(127,826)
Cash and investments - beginning	(3,200)	8,847	-	-	1	(961)	129,753
Cash and investments - ending	\$ -	\$ -	\$ 5,408	\$ 1,876	\$ -	\$ -	\$ 1,927
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 5,408	\$ 1,876	\$ -	\$ -	\$ 1,927
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 5,408	\$ 1,876	\$ -	\$ -	\$ 1,927
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	5,408	1,876	-	-	1,927
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 5,408	\$ 1,876	\$ -	\$ -	\$ 1,927

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

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

	Special Education Preschool 2005/2006	Substitute Teachers Public Law 94-142	CRC Textbook Sales	Lilly Endowment Grant	Lilly Endowment Interest	Lilly Endowment Grant 2003	Cape Grant 2004
Receipts:							
Local sources	\$ -	\$ -	\$ 525	\$ 7,000	\$ -	\$ 37	\$ 76,092
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	11,461	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>11,461</u>	<u>-</u>	<u>525</u>	<u>7,000</u>	<u>-</u>	<u>37</u>	<u>76,092</u>
Disbursements:							
Current:							
Instruction	17,191	180	-	-	-	-	-
Support services	-	-	8,723	-	847	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>17,191</u>	<u>180</u>	<u>8,723</u>	<u>-</u>	<u>847</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,730)</u>	<u>(180)</u>	<u>(8,198)</u>	<u>7,000</u>	<u>(847)</u>	<u>37</u>	<u>76,092</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,730)</u>	<u>(180)</u>	<u>(8,198)</u>	<u>7,000</u>	<u>(847)</u>	<u>37</u>	<u>76,092</u>
Cash and investments - beginning	<u>5,730</u>	<u>180</u>	<u>8,198</u>	<u>(7,000)</u>	<u>847</u>	<u>(37)</u>	<u>(76,092)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Cape Grant 2005	Cape III Grant	Scholarships Returned to CRC	Title IV Drug Free Grant 2005/2006	Project Peace Safe and Drug Free	Project Peace Nashville Elementary
Receipts:						
Local sources	\$ 111,714	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	11,201	-	-
Sale of property, adjustments and refunds	-	-	271	-	-	-
Total receipts	111,714	-	271	11,201	-	-
Disbursements:						
Current:						
Instruction	72,465	(1,067)	-	-	900	267
Support services	429,807	597,371	271	5,921	-	-
Community services	768	-	-	-	-	-
Nonprogrammed charges	238,553	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	741,593	596,304	271	5,921	900	267
Excess (deficiency) of receipts over disbursements	(629,879)	(596,304)	-	5,280	(900)	(267)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(629,879)	(596,304)	-	5,280	(900)	(267)
Cash and investments - beginning	629,879	596,304	-	5,921	900	267
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,201</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 11,201	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,201</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	11,201	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,201</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Title IV Drug Free Grant 2004/2005	Project R. O. C. K. 2006/2007	Project R. O. C. K. 2004/2005	Project R. O. C. K. 2005/2006	Title IV Hurricane Education Recovery	Junior High McDonald's Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	10,270	31,650	-	3,600	2,500	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	10,270	31,650	-	3,600	2,500	-
Disbursements:						
Current:						
Instruction	10,270	23,600	2,101	-	1,000	1
Support services	-	-	-	-	-	-
Community services	-	290	-	(311)	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	10,270	23,890	2,101	(311)	1,000	1
Excess (deficiency) of receipts over disbursements	-	7,760	(2,101)	3,911	1,500	(1)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,500)	-
Total other financing sources (uses)	-	-	-	-	(1,500)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,760	(2,101)	3,911	-	(1)
Cash and investments - beginning	-	-	2,101	(3,911)	-	1
Cash and investments - ending	<u>\$ -</u>	<u>\$ 7,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 7,760	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 7,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	7,760	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 7,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Safe and Drug Free Schools 2005	Carl Perkins Technical Grant	C4 Career Workplace Internship	Teaching American History Grant	Project Respect 2004/2005	Project Respect 2005/2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 105,714	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	-	105,714	-	-
Disbursements:						
Current:						
Instruction	-	1,052	218	2,526	-	-
Support services	-	-	-	583,628	(608)	1,590
Community services	171	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	171	1,052	218	586,154	(608)	1,590
Excess (deficiency) of receipts over disbursements	(171)	(1,052)	(218)	(480,440)	608	(1,590)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(171)	(1,052)	(218)	(480,440)	608	(1,590)
Cash and investments - beginning	171	1,052	218	480,440	(608)	1,590
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	Project Respect 2006/2007	Title II Part A Administrative Development 2005 - 2007	Title II Part D Technology	LSTA Grant 2002/2003	Retirement/ Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ 3,110	\$ -	\$ -	\$ 401,133	\$ 1,462,113
Intermediate sources	-	-	-	-	-	919
State sources	-	-	-	-	-	196,047
Federal sources	24,712	191,363	3,784	-	-	2,068,261
Sale of property, adjustments and refunds	-	-	-	-	-	8,333
Total receipts	24,712	194,473	3,784	-	401,133	3,735,673
Disbursements:						
Current:						
Instruction	-	174,055	277	-	-	1,232,847
Support services	21,642	12,904	1,359	(5,979)	-	3,318,847
Community services	-	-	-	-	-	7,696
Nonprogrammed charges	-	-	-	-	-	249,603
Debt services	-	-	-	-	259,452	283,452
Total disbursements	21,642	186,959	1,636	(5,979)	259,452	5,092,445
Excess (deficiency) of receipts over disbursements	3,070	7,514	2,148	5,979	141,681	(1,356,772)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	38,126
Transfers out	-	-	-	-	-	(39,626)
Total other financing sources (uses)	-	-	-	-	-	(1,500)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,070	7,514	2,148	5,979	141,681	(1,358,272)
Cash and investments - beginning	-	(191)	(2,148)	(5,979)	-	1,914,830
Cash and investments - ending	<u>\$ 3,070</u>	<u>\$ 7,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,681</u>	<u>\$ 556,558</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,070	\$ 7,323	\$ -	\$ -	\$ -	\$ 414,877
Restricted assets:						
Cash and investments	-	-	-	-	141,681	141,681
Total cash and investment assets - ending	\$ 3,070	\$ 7,323	\$ -	\$ -	\$ 141,681	\$ 556,558
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 141,681	\$ 141,681
Unrestricted	3,070	7,323	-	-	-	414,877
Total cash and investment fund balance - ending	\$ 3,070	\$ 7,323	\$ -	\$ -	\$ 141,681	\$ 556,558

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

BROWN COUNTY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Special Education Cooperative	Cooperative School Services 2006/2007	High School Day Care Program
Receipts:							
Local sources	\$ 47,729	\$ -	\$ 494,998	\$ 105,241	\$ -	\$ -	\$ 29,851
Intermediate sources	-	-	-	-	-	-	-
State sources	78,210	-	13,989	75,210	-	-	-
Federal sources	-	-	418,656	-	366,068	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	21,573	366	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	125,939	-	949,216	180,817	366,068	-	29,851
Disbursements:							
Current:							
Instruction	80,906	1,667,123	-	-	335,953	20,254	47,681
Support services	-	36,794	956,054	47,342	-	3,745	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	80,906	1,703,917	956,054	47,342	335,953	23,999	47,681
Excess (deficiency) of receipts over disbursements	45,033	(1,703,917)	(6,838)	133,475	30,115	(23,999)	(17,830)
Other financing sources (uses):							
Transfers in	-	1,700,000	-	28,669	24,001	-	-
Transfers out	-	-	-	-	-	(24,001)	-
Total other financing sources (uses)	-	1,700,000	-	28,669	24,001	(24,001)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	45,033	(3,917)	(6,838)	162,144	54,116	(48,000)	(17,830)
Cash and investments - beginning	62,087	3,917	64,360	64,030	-	48,000	8,311
Cash and investments - ending	<u>\$ 107,120</u>	<u>\$ -</u>	<u>\$ 57,522</u>	<u>\$ 226,174</u>	<u>\$ 54,116</u>	<u>\$ -</u>	<u>\$ (9,519)</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 107,120</u>	<u>\$ -</u>	<u>\$ 57,522</u>	<u>\$ 226,174</u>	<u>\$ 54,116</u>	<u>\$ -</u>	<u>\$ (9,519)</u>
Total cash and investment assets - ending	<u>\$ 107,120</u>	<u>\$ -</u>	<u>\$ 57,522</u>	<u>\$ 226,174</u>	<u>\$ 54,116</u>	<u>\$ -</u>	<u>\$ (9,519)</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 107,120</u>	<u>\$ -</u>	<u>\$ 57,522</u>	<u>\$ 226,174</u>	<u>\$ 54,116</u>	<u>\$ -</u>	<u>\$ (9,519)</u>
Total cash and investment fund balance - ending	<u>\$ 107,120</u>	<u>\$ -</u>	<u>\$ 57,522</u>	<u>\$ 226,174</u>	<u>\$ 54,116</u>	<u>\$ -</u>	<u>\$ (9,519)</u>

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

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

	Education Plate Fee	Alternative Education	Donations	Local Rural Capacity Grant	Pitcher Estate Interest	Psi Iota XI	Alternative School Technology
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 500	\$ 155	\$ 1,000	\$ 6,600
Intermediate sources	638	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	638	-	-	500	155	1,000	6,600
Disbursements:							
Current:							
Instruction	3,265	-	-	-	-	-	-
Support services	-	-	458	-	-	-	6,600
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	3,265	-	458	-	-	-	6,600
Excess (deficiency) of receipts over disbursements	(2,627)	-	(458)	500	155	1,000	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,627)	-	(458)	500	155	1,000	-
Cash and investments - beginning	6,834	6,949	958	5,000	478	300	-
Cash and investments - ending	<u>\$ 4,207</u>	<u>\$ 6,949</u>	<u>\$ 500</u>	<u>\$ 5,500</u>	<u>\$ 633</u>	<u>\$ 1,300</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 4,207</u>	<u>\$ 6,949</u>	<u>\$ 500</u>	<u>\$ 5,500</u>	<u>\$ 633</u>	<u>\$ 1,300</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 4,207</u>	<u>\$ 6,949</u>	<u>\$ 500</u>	<u>\$ 5,500</u>	<u>\$ 633</u>	<u>\$ 1,300</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 4,207</u>	<u>\$ 6,949</u>	<u>\$ 500</u>	<u>\$ 5,500</u>	<u>\$ 633</u>	<u>\$ 1,300</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 4,207</u>	<u>\$ 6,949</u>	<u>\$ 500</u>	<u>\$ 5,500</u>	<u>\$ 633</u>	<u>\$ 1,300</u>	<u>\$ -</u>

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

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

	Toyota Tapestry Grant	Fleener Estate Interest	Local At Risk Grant	Junior High After School Donation	High School Intervention	Gifted and Talented 2006/2007
Receipts:						
Local sources	\$ 10,000	\$ 411	\$ 3,000	\$ 6,780	\$ 1,092	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	10,000	411	3,000	6,780	1,092	-
Disbursements:						
Current:						
Instruction	-	-	-	7,274	-	8,765
Support services	-	-	2,698	-	1,092	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	2,698	7,274	1,092	8,765
Excess (deficiency) of receipts over disbursements	10,000	411	302	(494)	-	(8,765)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,000	411	302	(494)	-	(8,765)
Cash and investments - beginning	5,000	122	386	494	-	8,765
Cash and investments - ending	<u>\$ 15,000</u>	<u>\$ 533</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 15,000</u>	<u>\$ 533</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 15,000</u>	<u>\$ 533</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 15,000</u>	<u>\$ 533</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 15,000</u>	<u>\$ 533</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Economic Education Mini Grant	Medicaid Reimbursement	Junior High Excess Funds 2003/2004	CRC Donations	Technology USAC E-Rate	Beginning Teacher Internship
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 7,820	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	35,294	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	35,294	-	-	7,820	-	-
Disbursements:						
Current:						
Instruction	10,214	-	-	2,000	-	3,795
Support services	-	3,079	-	-	22,425	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	10,214	3,079	-	2,000	22,425	3,795
Excess (deficiency) of receipts over disbursements	25,080	(3,079)	-	5,820	(22,425)	(3,795)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(182)	-	-	-
Total other financing sources (uses)	-	-	(182)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,080	(3,079)	(182)	5,820	(22,425)	(3,795)
Cash and investments - beginning	-	5,739	182	24,014	32,938	3,795
Cash and investments - ending	<u>\$ 25,080</u>	<u>\$ 2,660</u>	<u>\$ -</u>	<u>\$ 29,834</u>	<u>\$ 10,513</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 25,080</u>	<u>\$ 2,660</u>	<u>\$ -</u>	<u>\$ 29,834</u>	<u>\$ 10,513</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 25,080</u>	<u>\$ 2,660</u>	<u>\$ -</u>	<u>\$ 29,834</u>	<u>\$ 10,513</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 25,080</u>	<u>\$ 2,660</u>	<u>\$ -</u>	<u>\$ 29,834</u>	<u>\$ 10,513</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 25,080</u>	<u>\$ 2,660</u>	<u>\$ -</u>	<u>\$ 29,834</u>	<u>\$ 10,513</u>	<u>\$ -</u>

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

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

	Title I 2006/2007	Title I Van Buren School Improvement 2006/2007	Title I 2007/2008	Title I Van Buren School Improvement 2007/2008	Title V Innovative Programs Part A 2004/2005	Title V Innovative Programs 2005/2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	70,000	-	259,678	28,478	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	70,000	-	259,678	28,478	-	-
Disbursements:						
Current:						
Instruction	52,271	7,300	249,774	4,592	5,408	1,866
Support services	13,798	-	18,277	13,502	-	-
Community services	6,080	231	994	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	72,149	7,531	269,045	18,094	5,408	1,866
Excess (deficiency) of receipts over disbursements	(2,149)	(7,531)	(9,367)	10,384	(5,408)	(1,866)
Other financing sources (uses):						
Transfers in	-	-	13,973	-	-	-
Transfers out	(13,973)	-	-	-	-	-
Total other financing sources (uses)	(13,973)	-	13,973	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,122)	(7,531)	4,606	10,384	(5,408)	(1,866)
Cash and investments - beginning	16,122	7,531	-	-	5,408	1,876
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,606</u>	<u>\$ 10,384</u>	<u>\$ -</u>	<u>\$ 10</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 4,606	\$ 10,384	\$ -	\$ 10
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,606</u>	<u>\$ 10,384</u>	<u>\$ -</u>	<u>\$ 10</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ -	\$ 4,606	\$ 10,384	\$ -	\$ 10
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,606</u>	<u>\$ 10,384</u>	<u>\$ -</u>	<u>\$ 10</u>

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

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

	Title V Innovative Programs 2007/2008	Special Education IDEA 2005/2006	Title IV Drug Free Grant 2005/2006	Project R. O. C. K. 2007/2008	Project R. O. C. K. 2006/2007	Teaching American History Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,592
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,541	-	-	35,400	3,600	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>3,541</u>	<u>-</u>	<u>-</u>	<u>35,400</u>	<u>3,600</u>	<u>143,592</u>
Disbursements:						
Current:						
Instruction	-	-	11,201	31,563	11,270	60
Support services	-	1,927	-	-	-	175,639
Community services	-	-	-	1,605	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>1,927</u>	<u>11,201</u>	<u>33,168</u>	<u>11,270</u>	<u>175,699</u>
Excess (deficiency) of receipts over disbursements	<u>3,541</u>	<u>(1,927)</u>	<u>(11,201)</u>	<u>2,232</u>	<u>(7,670)</u>	<u>(32,107)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,541</u>	<u>(1,927)</u>	<u>(11,201)</u>	<u>2,232</u>	<u>(7,670)</u>	<u>(32,107)</u>
Cash and investments - beginning	-	1,927	11,201	-	7,760	-
Cash and investments - ending	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ 90</u>	<u>\$ (32,107)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ 90</u>	<u>\$ (32,107)</u>
Total cash and investment assets - ending	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ 90</u>	<u>\$ (32,107)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ 90</u>	<u>\$ (32,107)</u>
Total cash and investment fund balance - ending	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ 90</u>	<u>\$ (32,107)</u>

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

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

	Title II Class Size Reduction 2007/2008	Project Respect 2006/2007	Title II Part A Administrative Development 2005 - 2007	Rural Capacity Grant	Retirement/ Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 22	\$ -	\$ -	\$ 858,791
Intermediate sources	-	-	-	-	-	638
State sources	-	-	-	97,500	-	300,203
Federal sources	70,905	288	-	-	-	1,256,614
Bonds and loans	-	-	-	-	48,000	48,000
Sale of property, adjustments and refunds	-	-	-	-	-	21,939
Interfund loans	-	-	-	-	7,272	7,272
Total receipts	70,905	288	22	97,500	55,272	2,493,457
Disbursements:						
Current:						
Instruction	82,378	-	5,794	-	-	2,650,707
Support services	-	3,358	1,551	-	-	1,308,339
Community services	-	-	-	-	-	8,910
Debt services	-	-	-	-	196,953	196,953
Total disbursements	82,378	3,358	7,345	-	196,953	4,164,909
Excess (deficiency) of receipts over disbursements	(11,473)	(3,070)	(7,323)	97,500	(141,681)	(1,671,452)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,766,643
Transfers out	-	-	-	-	-	(38,156)
Total other financing sources (uses)	-	-	-	-	-	1,728,487
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,473)	(3,070)	(7,323)	97,500	(141,681)	57,035
Cash and investments - beginning	-	3,070	7,323	-	141,681	556,558
Cash and investments - ending	<u>\$ (11,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,500</u>	<u>\$ -</u>	<u>\$ 613,593</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ (11,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,500</u>	<u>\$ -</u>	<u>\$ 613,593</u>
Total cash and investment assets - ending	<u>\$ (11,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,500</u>	<u>\$ -</u>	<u>\$ 613,593</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ (11,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,500</u>	<u>\$ -</u>	<u>\$ 613,593</u>
Total cash and investment fund balance - ending	<u>\$ (11,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,500</u>	<u>\$ -</u>	<u>\$ 613,593</u>

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

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

	Young Authors	Corporation After School	CRC GED	CRC Textbook	CRC Childcare Payments	Indiana Next Grant 2001/2002
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 8,781	\$ 80	\$ 350	\$ -
Deductions:						
Administrative and general	189	4,878	1,221	-	-	6
Excess (deficiency) of total additions over total deductions	(189)	(4,878)	7,560	80	350	(6)
Cash and investment fund balance - beginning	189	4,878	-	-	-	6
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,560</u>	<u>\$ 80</u>	<u>\$ 350</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,560</u>	<u>\$ 80</u>	<u>\$ 350</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,560</u>	<u>\$ 80</u>	<u>\$ 350</u>	<u>\$ -</u>

BROWN COUNTY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Community Foundation Drug Grant	IU Tuition Replacement Credit	Handicapped Donations	School Safety Commission	Alternative Program Pepsi Machine
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:					
Administrative and general	200	-	334	278	-
Excess (deficiency) of total additions over total deductions	(200)	-	(334)	(278)	-
Cash and investment fund balance - beginning	200	1,070	334	278	322
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322</u>
Net assets:					
Cash and investments	<u>\$ -</u>	<u>\$ 1,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322</u>

BROWN COUNTY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Indiana Next Grant - Sprunica	Peers LCC Donation	Local Grant Interest Miscellaneous	Cape III Grant	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 1,000	\$ 117,072	\$ 838,553	\$ 965,836
Deductions:					
Administrative and general	1,500	1,000	117,072	196,936	323,614
Excess (deficiency) of total additions over total deductions	(1,500)	-	-	641,617	642,222
Cash and investment fund balance - beginning	1,500	2,465	-	-	11,242
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ -</u>	<u>\$ 641,617</u>	<u>\$ 653,464</u>
Net assets:					
Cash and investments	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ -</u>	<u>\$ 641,617</u>	<u>\$ 653,464</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ -</u>	<u>\$ 641,617</u>	<u>\$ 653,464</u>

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

	<u>CRC GED</u>	<u>CRC Textbook</u>	<u>CRC Childcare Payments</u>	<u>CRC Coffee</u>	<u>Lilly Endowment- Teacher Creativity</u>
Additions:					
Contributions:					
Other	\$ 1,565	\$ 26	\$ 588	\$ 104	\$ 13,907
Investment earnings:					
Interest	-	-	-	-	-
Total additions	<u>1,565</u>	<u>26</u>	<u>588</u>	<u>104</u>	<u>13,907</u>
Deductions:					
Administrative and general	<u>1,035</u>	-	-	-	-
Excess (deficiency) of total additions over total deductions	530	26	588	104	13,907
Cash and investment fund balance - beginning	<u>7,560</u>	<u>80</u>	<u>350</u>	-	-
Cash and investments - June 30	<u>\$ 8,090</u>	<u>\$ 106</u>	<u>\$ 938</u>	<u>\$ 104</u>	<u>\$ 13,907</u>
Net assets:					
Cash and investments	<u>\$ 8,090</u>	<u>\$ 106</u>	<u>\$ 938</u>	<u>\$ 104</u>	<u>\$ 13,907</u>
Total net assets - cash and investment basis held in trust	<u>\$ 8,090</u>	<u>\$ 106</u>	<u>\$ 938</u>	<u>\$ 104</u>	<u>\$ 13,907</u>

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

	IU Tuition Replacement Credit	Alternative Program Pepsi Machine	Peers LCC Donation	Cape III Grant	Totals
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 1,000	\$ -	\$ 17,190
Investment earnings:					
Interest	-	-	-	5,432	5,432
Total additions	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>5,432</u>	<u>22,622</u>
Deductions:					
Administrative and general	<u>-</u>	<u>-</u>	<u>1,876</u>	<u>184,076</u>	<u>186,987</u>
Excess (deficiency) of total additions over total deductions	-	-	(876)	(178,644)	(164,365)
Cash and investment fund balance - beginning	<u>1,070</u>	<u>322</u>	<u>2,465</u>	<u>641,617</u>	<u>653,464</u>
Cash and investments - June 30	<u>\$ 1,070</u>	<u>\$ 322</u>	<u>\$ 1,589</u>	<u>\$ 462,973</u>	<u>\$ 489,099</u>
Net assets:					
Cash and investments	<u>\$ 1,070</u>	<u>\$ 322</u>	<u>\$ 1,589</u>	<u>\$ 462,973</u>	<u>\$ 489,099</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,070</u>	<u>\$ 322</u>	<u>\$ 1,589</u>	<u>\$ 462,973</u>	<u>\$ 489,099</u>

BROWN COUNTY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended 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:	
Buildings	\$ 47,582,000
Machinery and equipment	<u>2,737,842</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 50,319,842</u>

BROWN COUNTY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
High School Building improvements	\$ 3,601,840	\$ 963,000
High School Building energy improvements	1,851,760	474,916
Bonds payable:		
General obligation bonds:		
Pension	735,000	67,110
Various facilities	<u>210,000</u>	<u>212,625</u>
Total governmental activities debt	<u>\$ 6,398,600</u>	<u>\$ 1,717,651</u>

BROWN COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS

CREDIT CARDS

Several disbursements did not have supporting documentation such as receipts and/or invoices. Several claims were not preapproved by means of a purchase order, a requisition, and/or a credit card preapproved form. Finance charges amounted to \$924.03.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BROWN COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS (Applies to Brown County High School, Brown County Junior High School, Sprunica Elementary School, and Van Buren Elementary School)

The prescribed form of Application for Free or Reduced-Price Meals and Other Benefits (School Form 521) was not retained for the 2006/2007 school year by the following buildings:

Brown County High School
Brown County Junior High School
Sprunica Elementary School
Van Buren Elementary School

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)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. School Corporation records were not reconciled monthly to the bank balance. Postings to the School Corporation records were not always made in a timely fashion.

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

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Some transactions were recorded as "negative" receipts and disbursements.

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)

TIMELY RECORDKEEPING

Final appropriation transfers for the calendar year 2006 were not done until May 17, 2007.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BROWN COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

DEPOSITS NOT TIMELY

Textbook Rental receipts in numerous instances were deposited later than the next business day.

IC 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

DEPOSIT CLASSIFICATIONS

The classification of Textbook Rental receipts as to the amount of cash and checks received did not always match the actual breakdown of cash and checks on the deposit. The electronic receipts that are issued by the Extra Curricular Treasurers usually only designates if the money received is cash or check. The breakdown between the two classifications is not correct if the receipt contained both cash and checks.

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

For each of calendar years 2007 and 2008, the total amount of capital projects fund expenditures for casualty and property insurance and for utilities combined are greater than the calculation of allowable expenditures for those categories according to the Indiana Department of Education Basic Grant.

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

COLLECTION OF AMOUNTS DUE

The delinquent amount of \$9,944.60 was due from a parent for transfer tuition as of February 5, 2009.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BROWN COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

TRANSFER TUITION

Transfer tuition was not computed properly for the 2006/2007 school year because of incorrect credits.

IC 20-26-11-6 states in part:

"(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter."

"(b) a transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established . . ."

OVERDRAWN FUND BALANCES

The following funds had overdrawn fund balances as of June 30, 2007 and 2008:

Fund		
High School Day Care Program	\$	9,519
Teaching American History Grant		32,107
Title II Class Size Reduction 07-08		11,473

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)

CAPITAL ASSET RECORDS

The School Corporation did not include in the Capital Asset listing the purchase cost or estimated purchase cost of the land owned by the School Corporation.

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

DEPOSITS – ECA Accounts (Applies to Brown County High School, Brown County Junior High School, Nashville Elementary School, Sprunica Elementary School, and Van Buren Elementary School)

The classification of receipts as to the amount of cash and checks received did not always match the actual breakdown of cash and checks on the deposit. The electronic receipts that are issued by the Extra-Curricular Treasurers usually only designates if the money received is cash or check. The breakdown between the two classifications was not correct if the receipt contained both cash and checks.

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

BROWN COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS – ECA Accounts (Applies to Sprunica Elementary School and Brown County Junior High School)

The following deficiencies relating to the recordkeeping were noted for Sprunica Elementary School. An unidentified item in the amount of \$69.98 had to be added in order for the record balance to reconcile to the bank balance.

The following deficiencies relating to the recordkeeping were noted for Brown County Junior High School. An unidentified item in the amount of \$258.59 had to be subtracted in order for the record balance to reconcile to the bank balance.

- (1) Record balances were not reconciled to depository balances.

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular, Chapter 7)

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and nonsufficient funds checks incorrectly posted.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (3) Some transactions were recorded as "negative" receipts and disbursements.

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

DISBURSEMENT DOCUMENTATION (Helmsburg Elementary School)

Several disbursements did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

Compliance

We have audited the compliance of the Brown County Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

STATE BOARD OF ACCOUNTS

April 23, 2009

BROWN COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	\$ 75,756	\$ 88,689
National School Lunch Program	10.555	N/A	<u>327,274</u>	<u>376,080</u>
Total for cluster			<u>403,030</u>	<u>464,769</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
Fund for the Improvement of Education				
Teaching American History	84.215	U215X040232	<u>248,514</u>	<u>225,491</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
FY 2005-2006	84.010	06-0670	39,889	-
FY 2006-2007		07-0670	198,282	72,249
FY 2007-2008		08-0670	-	269,045
FY 2006-2007 School Improvement		N/A	-	7,531
FY 2007-2008 School Improvement		N/A	<u>-</u>	<u>18,095</u>
Total for program			<u>238,171</u>	<u>366,920</u>
Safe and Drug-Free Schools and Communities-State Grants				
Project No. 04-0359	84.186	N/A	10,270	-
Project No. 05-0304		N/A	<u>-</u>	<u>11,201</u>
Total for program			<u>10,270</u>	<u>11,201</u>
State Grants for Innovative Programs				
Project No. 05-0303	84.298	N/A	1,725	1,866
Project No. 06-0670		N/A	<u>2,679</u>	<u>5,408</u>
Total for program			<u>4,404</u>	<u>7,274</u>
Education Technology State Grants				
FY 2004-2005	84.318	N/A	<u>1,636</u>	<u>-</u>
Improving Teacher Quality State Grants				
Project No. 04-0208	84.367	N/A	7,638	-
Project No. 05-0280		N/A	93,725	-
Project No. 06-0670		N/A	82,487	7,322
Project No. 07-0670		N/A	<u>-</u>	<u>82,378</u>
Total for program			<u>183,850</u>	<u>89,700</u>
Hurricane Recovery Education Act				
FY 2006-2007	84.938	N/A	<u>2,500</u>	<u>-</u>
Total for federal grantor agency			<u>689,345</u>	<u>700,586</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Family and Social Services Administration				
Block Grants for Prevention and Treatment of Substance Abuse				
FY 2004-2005	93.959	N/A	2,100	-
FY 2006-2007		N/A	23,890	11,269
FY 2007-2008		N/A	<u>-</u>	<u>33,168</u>
Total for program			<u>25,990</u>	<u>44,437</u>
Total federal awards expended			<u>\$ 1,118,365</u>	<u>\$ 1,209,792</u>

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

BROWN COUNTY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2007 and 2008:

Program Title	Federal CFDA Number	2006-2007	2007-2008
Fund for the Improvement of Education	84.215	\$ 171,478	\$ 91,245

III. 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	2006-2007	2007-2008
Child Nutrition Cluster	10.555	\$ 36,018	\$ 44,027

BROWN COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster
84.215	Title I Grants to Local Educational Agencies Fund for the Improvement of Education

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

**Brown County Schools
357 E. Main Street
PO Box 38
Nashville, Indiana 47448
March 4, 2009**

Response to Audit Findings 2004-2006

**Brown County Schools
Summary Schedule of Audit Findings March 4, 2009**

**Federal Agency: U.S. Department of Education
Pass-Through Agency: Indiana Department of Education
Auditee Contact Person: Carol S. Owens
Title of Contact Person: Treasurer
Phone Number: 812-988-6601**

Section II

FINDING 2006-1, INTERNAL CONTROL OVER FINANCIAL REPORTING

Receipting is made to the correct fund when received with documentation attached.
Posting of receipts are done in a timely manner.

Controls are in place to ensure that any accounts payable has been reviewed and approved for payment by the appropriate source. No vouchers are paid without supporting documentation.

Appropriations for Federal Grants are set up in a timely manner to eliminate the need to expend from the general fund and then transferred to the appropriate grant.

**Federal Agency: U.S. Department of Education
Pass-Through Agency: Title I Grants to Local Educational Agencies; Title II, Part A
CFDA Number: 84.010; 84.367
Auditee Contact Person: Carol S. Owens
Title of Contact Person: Treasurer
Phone Number: 812-988-6601**

FINDING 2006-2, ALLOWABLE COSTS

Documentation for Title I time and effort is kept for all employees working in shared programs and employees' working solely will be supported by periodic certifications.

FINDING 2006-3, REPORTING

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

Compliance with Title I quarter and annual compliance reports are being met by the new Title I Coordinator and Treasurer in a timely manner.

FINDING 2006-4, CASH MANAGEMENT

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

The Treasurer and the Title I Coordinator monitor expenditures for Title I and adjust cash drawdown when necessary to minimize the amount of cash on hand at the end of the month.

FINDING 2006-5, MATCHING, LEVEL OF EFFORT, EARMARKING

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Education Agencies
CFDA Number: 84.010
Pass-Through Entity: Indiana Department of Education

The Title I Coordinator is complying with all reports necessary to meet Title I requirements.

FINDING 2006-6, PERIOD OF AVAILABILITY

Federal Agency: U.S. Department of Education
Federal Program: Title II, Part A
CFDA Number: 84.367
Pass-Through Entity: Indiana Department of Education

Title I grants are written and set up, once approved, on a timely basis with little or no transfers being necessary from fund to fund.

FINDING 2006-7, ALLOWABLE COSTS

Federal Agency: U.S. Department of Education
Federal Program: Title II, Part A
CFDA Number: 84.367
Pass-Through Entity: Indiana Department of Education

England trip Title II, Part A
Administrative Prof. Development

In reviewing the narrative for Administration travel we feel the England trip fits the guidelines intent.

Part of Title II grant was written for administrative professional development.

The grant goals included:

A. Lead Learning

Team members will participate in regular, collaborative, professional learning experiences to improve teaching and learning. They will develop a broad knowledge base in curriculum, instruction, and assessment.

B. Focus on Teaching and Learning

Team members will maintain and model a focus on improving teaching and learning by helping teachers improve their instructional practices and by making student achievement their highest priority.

C. Develop Leadership Capacity

Team members will devote significant time to developing instructional leadership capacity in others.

D. Create Conditions for Professional Learning

Team members will create conditions that encourage professional learning communities.

E. Use Data to Make Informed Decisions

Team members will develop the skills to collect and use data from a variety of sources to make informed school improvement decisions.

F. Use Resources Creatively

Team members will make creative uses of all resources--people, time, and money to support school improvement.

Three administrators from Brown County Schools attended the National Women's 'Leadership Conference that was sponsored, in part, by Virginia Tech

Topics studied at this conference included:

- making data driven decisions
- the impact of mentors on student achievement (presented by a Rhodes Scholar)
- developing your own leaders
- gender issues (ex. Historical review of the study of genetics and its impact on women leaders)
- building national and international educational networking
- empowerment of women as leaders in education
- diversity
- embedded professional development strategies (which Brown County has used since)

- the leader’s role in student achievement
- technology, and
- Strategic planning.

Additionally, the administrators visited universities and schools to gain a better understanding of education outside the US.

FINDINGS 2006-8, ALLOWABLE COSTS

Federal Agency: U.S. Department of Education
Federal Program: Title II, Part A
CFDA Number: 84.367
Pass-Through Entity: Indiana Department of Education

Currently Federal Grants are being appropriated in a timely matter eliminating the need to transfer expenditures after the fact.

FINDINGS 2006-9 SUB RECIPIENT MONITORING

Federal Agency: U. S. Department of Education
Federal Program: Fund for the Improvement of Education
CFDA Number: 84.215
Award: U215X040232

The monitoring of sub recipients for federal grants is a top priority. Budgets, expenditures, activities are reviewed for accuracy periodically during the period of the grant.

FINDINGS 2006-10 REPORTING

Federal Agency: U.S. Department of Education
Federal Program: Fund for the Improvement of Education
CFDA Number: 84.215
Award: U215X040232

Financial records from sub recipients are monitored for accuracy and balanced back to the school corporation records.

FINDINGS 2006-11 CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Fund for the Improvement of Education
CFDA Number: 84.215
Award: U215X040232

The excess cash balance in the Teaching American Grant was returned to the Dept. of Education and corrective measurer is in place to comply with the cash management drawdown regulations.

FINDINGS 2006-12 ALLOWABLE COSTS/COST PRINCIPALS

Federal Agency: U.S. Department of Education
Federal Program: Fund for the Improvement of Education
CFDA Number: 84.215
Award: U215X040232

Budgets for all Federal Grants are set up by their approved guidelines and better monitoring of expenditures and all records is being maintained to eliminate any un-obligated liability.

FINDINGS 2006-13 ALLOWABLE COSTS/COST PRINCIPALS

Federal Agency: U.S. Department of Education
Federal Program: Fund for the Improvement of Education
CFDA Number: 84.215
Award: U215X040232

All contracts for sub-recipients are approved by the School Board of Trustees and all accounting records are monitored and maintained for accuracy.

Respectively submitted by:



Carol S. Owens
Treasurer
Brown County Schools

BROWN COUNTY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on May 22, 2009, with David Shaffer, Superintendent of Schools; Laura Hammack, Assistant Superintendent of Schools; Carol S. Owens, Treasurer; and Teresa Waltman, President of the School Board.