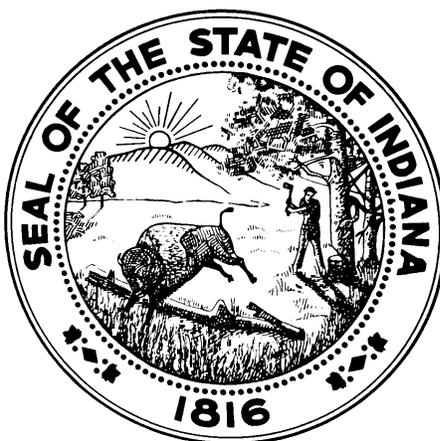


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
JEFFERSON COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

06/29/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Laura Boldery	07-01-06 to 06-30-09
Superintendent of Schools	Steve Telfer	07-01-06 to 06-30-09
President of the School Board	Teresa Scrogam Cree Green	01-01-07 to 12-31-08 01-01-09 to 12-31-09



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

TO: THE OFFICIALS OF THE SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 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 required parts 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

June 4, 2009



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

TO: THE OFFICIALS OF THE SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southwestern Jefferson County Consolidated School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated June 4, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated June 4, 2009.

This report is intended solely for the information and use of the School Corporation's management, Board of School 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

June 4, 2009

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,676,354	\$ -	\$ 44,645	\$ (6,631,709)
Support services	4,975,952	320,996	340,909	(4,314,047)
Community services	85,965	-	-	(85,965)
Nonprogrammed charges	654,876	-	-	(654,876)
Debt service	1,226,148	-	-	(1,226,148)
	<u>\$ 13,619,295</u>	<u>\$ 320,996</u>	<u>\$ 385,554</u>	<u>(12,912,745)</u>
Total governmental activities				
General receipts:				
Property taxes				2,074,204
Other local sources				531,931
State aid				7,063,759
Bonds and loans				565,668
Grants and contributions not restricted to specific programs				500,668
Sale of property, adjustments, and refunds				28,704
Investment earnings				254,024
				<u>11,018,958</u>
Total general receipts				
Change in net assets				(1,893,787)
Net assets - beginning				<u>5,352,360</u>
Net assets - ending				<u>\$ 3,458,573</u>
<u>Assets</u>				
Cash and investments				\$ 3,422,315
Restricted assets:				
Cash and investments				<u>36,258</u>
Total assets				<u>\$ 3,458,573</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 36,258
Unrestricted				<u>3,422,315</u>
Total net assets				<u>\$ 3,458,573</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<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	\$ 6,821,434	\$ -	\$ 66,964	\$ (6,754,470)
Support services	6,910,893	346,138	388,289	(6,176,466)
Community services	117,591	-	-	(117,591)
Nonprogrammed charges	658,884	-	-	(658,884)
Debt service	1,170,551	-	-	(1,170,551)
Total governmental activities	\$ 15,679,353	\$ 346,138	\$ 455,253	(14,877,962)
General receipts:				
Property taxes				4,049,788
Other local sources				711,514
State aid				6,873,435
Bonds and loans				4,037,871
Grants and contributions not restricted to specific programs				552,439
Sale of property, adjustments, and refunds				6,256
Investment earnings				199,775
Total general receipts				16,431,078
Change in net assets				1,553,116
Net assets - beginning				3,458,573
Net assets - ending				\$ 5,011,689
<u>Assets</u>				
Cash and investments				\$ 2,841,648
Restricted assets:				
Cash and investments				143,174
Cash with fiscal agent				2,026,867
Total assets				\$ 5,011,689
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 143,174
Other purposes				2,026,867
Unrestricted				2,841,648
Total net assets				\$ 5,011,689

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

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

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 1,275,222	\$ 520,012	\$ 247,922	\$ 526,972	\$ 103,701	\$ 506,160	\$ 3,179,989
Intermediate sources	605	-	-	-	-	562	1,167
State sources	7,096,638	-	-	-	-	103,453	7,200,091
Federal sources	-	-	-	-	-	749,889	749,889
Bonds and loans	-	565,668	-	-	-	-	565,668
Sale of property, adjustments and refunds	2,876	2,207	-	355	1,014	22,252	28,704
Interfund loans	-	40,000	-	-	48,000	-	88,000
Total receipts	8,375,341	1,127,887	247,922	527,327	152,715	1,382,316	11,813,508
Disbursements:							
Current:							
Instruction	6,328,734	-	-	-	-	347,620	6,676,354
Support services	2,000,203	1,026,544	-	867,339	341,872	739,994	4,975,952
Community services	85,645	-	-	-	-	320	85,965
Nonprogrammed charges	598,358	-	-	-	-	56,518	654,876
Debt services	-	533,929	538,000	-	-	154,219	1,226,148
Interfund loans	-	-	-	-	-	88,000	88,000
Total disbursements	9,012,940	1,560,473	538,000	867,339	341,872	1,386,671	13,707,295
Deficiency of receipts over disbursements	(637,599)	(432,586)	(290,078)	(340,012)	(189,157)	(4,355)	(1,893,787)
Other financing sources (uses):							
Transfers in	139,480	100,000	-	-	-	2,513	241,993
Transfers out	(100,000)	-	(1,136)	-	-	(140,857)	(241,993)
Total other financing sources (uses)	39,480	100,000	(1,136)	-	-	(138,344)	-
Deficiency of receipts and other financing sources over disbursements and other financing uses	(598,119)	(332,586)	(291,214)	(340,012)	(189,157)	(142,699)	(1,893,787)
Cash and investments - beginning	1,946,138	339,112	327,472	1,584,952	190,174	964,512	5,352,360
Cash and investments - ending	<u>\$ 1,348,019</u>	<u>\$ 6,526</u>	<u>\$ 36,258</u>	<u>\$ 1,244,940</u>	<u>\$ 1,017</u>	<u>\$ 821,813</u>	<u>\$ 3,458,573</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,348,019	\$ 6,526	\$ -	\$ 1,244,940	\$ 1,017	\$ 821,813	\$ 3,422,315
Restricted assets:							
Cash and investments	-	-	36,258	-	-	-	36,258
Total cash and investment assets - ending	<u>\$ 1,348,019</u>	<u>\$ 6,526</u>	<u>\$ 36,258</u>	<u>\$ 1,244,940</u>	<u>\$ 1,017</u>	<u>\$ 821,813</u>	<u>\$ 3,458,573</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 36,258	\$ -	\$ -	\$ -	\$ 36,258
Unrestricted	1,348,019	6,526	-	1,244,940	1,017	821,813	3,422,315
Total cash and investment fund balance - ending	<u>\$ 1,348,019</u>	<u>\$ 6,526</u>	<u>\$ 36,258</u>	<u>\$ 1,244,940</u>	<u>\$ 1,017</u>	<u>\$ 821,813</u>	<u>\$ 3,458,573</u>

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

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

	General	Transportation Operating	Energy Savings Project	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,936,767	\$ 1,070,643	\$ 39,478	\$ 612,719	\$ 946,785	\$ 155,919	\$ 544,830	\$ 5,307,141
Intermediate sources	-	-	-	-	-	-	75	75
State sources	6,909,356	-	-	-	-	-	165,534	7,074,890
Federal sources	-	-	-	-	-	-	806,237	806,237
Bonds and loans	-	555,410	3,482,461	-	-	-	-	4,037,871
Sale of property, adjustments and refunds	2,680	-	-	-	-	1,300	2,275	6,255
Interfund loans	-	-	-	-	-	-	88,000	88,000
Total receipts	8,848,803	1,626,053	3,521,939	612,719	946,785	157,219	1,606,951	17,320,469
Disbursements:								
Current:								
Instruction	6,326,143	-	-	-	-	-	495,291	6,821,434
Support services	2,167,686	1,057,328	1,495,072	-	1,221,184	176,264	793,359	6,910,893
Community services	94,782	-	-	-	-	-	22,809	117,591
Nonprogrammed charges	602,210	-	-	-	-	-	56,674	658,884
Debt services	-	513,533	-	505,803	-	-	151,215	1,170,551
Interfund loans	-	40,000	-	-	-	48,000	-	88,000
Total disbursements	9,190,821	1,610,861	1,495,072	505,803	1,221,184	224,264	1,519,348	15,767,353
Excess (deficiency) of receipts over disbursements	(342,018)	15,192	2,026,867	106,916	(274,399)	(67,045)	87,603	1,553,116
Other financing sources (uses):								
Transfers in	29,100	84	-	-	-	-	15,536	44,720
Transfers out	(84)	-	-	-	-	-	(44,636)	(44,720)
Total other financing sources (uses)	29,016	84	-	-	-	-	(29,100)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(313,002)	15,276	2,026,867	106,916	(274,399)	(67,045)	58,503	1,553,116
Cash and investments - beginning	1,348,019	6,526	-	36,258	1,244,940	1,017	821,813	3,458,573
Cash and investments - ending	\$ 1,035,017	\$ 21,802	\$ 2,026,867	\$ 143,174	\$ 970,541	\$ (66,028)	\$ 880,316	\$ 5,011,689
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,035,017	\$ 21,802	\$ -	\$ -	\$ 970,541	\$ (66,028)	\$ 880,316	\$ 2,841,648
Restricted assets:								
Cash and investments	-	-	-	143,174	-	-	-	143,174
Cash with fiscal agent	-	-	2,026,867	-	-	-	-	2,026,867
Total cash and investment assets - ending	\$ 1,035,017	\$ 21,802	\$ 2,026,867	\$ 143,174	\$ 970,541	\$ (66,028)	\$ 880,316	\$ 5,011,689
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 143,174	\$ -	\$ -	\$ -	\$ 143,174
Other purposes	-	-	2,026,867	-	-	-	-	2,026,867
Unrestricted	1,035,017	21,802	-	-	970,541	(66,028)	880,316	2,841,648
Total cash and investment fund balance - ending	\$ 1,035,017	\$ 21,802	\$ 2,026,867	\$ 143,174	\$ 970,541	\$ (66,028)	\$ 880,316	\$ 5,011,689

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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
Additions:		
Contributions:		
Other	\$ -	\$ 110,926
Deductions:		
Administrative and general	-	35,833
Excess of total additions over total deductions	-	75,093
Cash and investment fund balance - beginning	74,023	(50,947)
Cash and investment fund balance - ending	\$ 74,023	\$ 24,146
Net assets:		
Cash and investments	\$ 74,023	\$ 24,146
Total net assets - cash and investment basis held in trust	\$ 74,023	\$ 24,146

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 19,812
	<u> </u>	<u> </u>
Deductions:		
Benefits	38,154	-
Administrative and general	-	17,250
	<u> </u>	<u> </u>
Total deductions	<u>38,154</u>	<u>17,250</u>
Excess (deficiency) of total additions over total deductions	(38,154)	2,562
Cash and investment fund balance - beginning	<u>74,023</u>	<u>24,146</u>
Cash and investment fund balance - ending	<u>\$ 35,869</u>	<u>\$ 26,708</u>
Net assets:		
Cash and investments	<u>\$ 35,869</u>	<u>\$ 26,708</u>
Total net assets - cash and investment basis held in trust	<u>\$ 35,869</u>	<u>\$ 26,708</u>

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

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Southwestern Jefferson County Consolidated School Corporation

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

Joint Venture

The School Corporation is a participant with four other school corporations in a joint venture to operate Madison Area Educational Special Services Unit which was created to provide special education services to handicapped children. The School Corporation is obligated by contract to remit \$550,291 annually to supplement the Special Services Unit. Complete financial statements for the Special Services Unit can be obtained from Special Services Unit's Administration Office in Madison, Indiana.

The School Corporation is a participant with ten other school corporations in a joint venture to operate Southeastern Career Center (Career Center) which was created to provide vocational educational services. The School Corporation is obligated by contract to pay an amount based on a formula by the Board of Directors of the joint venture. For the school year ended June 30, 2008, the School Corporation remitted \$130,630 to the Career Center. Complete financial statements for the Career Center can be obtained from the Career Center's administrative office in Versailles, Indiana.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, at this time, the School Corporation has no business-type activities.

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The energy savings project fund is used to account for disbursements for a guaranteed energy savings project at the middle/high school from loan proceeds.

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

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

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

Additionally, the School Corporation reports the following fund types:

The pension trust fund account for the activities of the retirement/severance bond fund, which accumulate resources for payments to employees on or after the termination of employment or to pay post-retirement 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 students.

C. Measurement Focus and Basis of Accounting

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

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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 proprietary 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

B. Cash and Investment Balance Deficits

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

Fund	2007	2008
Textbook Rental	\$ 28,492	\$ -
School Bus Replacement	-	66,028
Retirement Bond	-	46,028
Cape Grant Fund	36,741	-

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.

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$3,047,399.

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:

<u>Investment Type</u>	<u>Primary Government Market Value</u>
Mutual funds	\$ 2,026,867

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

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
General Fund	Transportation Operating	\$ 100,000	\$ 84
Debt Service	Other governmental funds	1,136	-
Other governmental funds	General Fund	139,480	29,100
Other governmental funds	Other governmental funds	<u>1,377</u>	<u>15,536</u>
Totals		<u>\$ 241,993</u>	<u>\$ 44,720</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2007</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2007</u>
Governmental Funds	\$ 5,305,377	\$ 46,983	\$ 5,352,360
Private-Purpose Trust Funds	(3,964)	(46,983)	(50,947)

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

B. Holding Corporation

The School Corporation has entered into a capital lease with Southwestern Jefferson County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease payments during the years 2006-2006 and 2007-2008 totaled \$144,500 and \$156,500, respectively.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 50 with at least 25 years of service or on or after attaining age 55 with 12 years of service. Currently, eleven retirees meet these eligibility requirements. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$21,525 were recognized for postemployment benefits.

D. 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 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.

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ 83,763
Interest on net pension obligation	(7,981)
Adjustment to annual required contribution	9,095
Annual pension cost	84,877
Contributions made	95,756
Decrease in net pension obligation	(10,879)
Net pension obligation, beginning of year	(110,080)
Net pension obligation, end of year	\$ (120,959)

	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>
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

	<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
	<u>Ending</u>	<u>Pension Cost</u>	<u>of APC</u>	<u>Pension</u>
		<u>(APC)</u>	<u>Contributed</u>	<u>Obligation</u>
PERF	06-30-06	\$ 90,420	101%	\$ (116,781)
	06-30-07	93,169	93%	(110,080)
	06-30-08	84,877	113%	(120,959)

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

Teachers' Retirement Fund

Plan Description

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

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

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

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2006, 2007, and 2008, were \$147,556, \$147,127, and \$155,334, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	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	\$ 2,150,593	\$ 2,268,439	\$ (117,846)	95%	\$ 1,303,667	(9%)
07-01-07	2,209,846	2,198,320	11,526	101%	1,296,670	1%
07-01-08	2,372,004	2,251,200	120,804	105%	1,334,818	9%

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

	Special Education Preschool	Local Rainy Day	School Lunch	Textbook Rental	Levy Excess	Education License Plates
Receipts:						
Local sources	\$ 3,403	\$ -	\$ 303,259	\$ 108,077	\$ -	\$ -
Intermediate sources	-	-	-	-	-	562
State sources	47,840	-	7,728	33,213	-	-
Federal sources	-	-	299,967	-	-	-
Sale of property, adjustments and refunds	-	-	-	22,252	-	-
Total receipts	<u>51,243</u>	<u>-</u>	<u>610,954</u>	<u>163,542</u>	<u>-</u>	<u>562</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	553,568	146,249	-	-
Community services	-	-	-	320	-	-
Nonprogrammed charges	56,518	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	88,000	-	-	-	-
Total disbursements	<u>56,518</u>	<u>88,000</u>	<u>553,568</u>	<u>146,569</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,275)</u>	<u>(88,000)</u>	<u>57,386</u>	<u>16,973</u>	<u>-</u>	<u>562</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(139,480)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(139,480)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,275)</u>	<u>(88,000)</u>	<u>57,386</u>	<u>16,973</u>	<u>(139,480)</u>	<u>562</u>
Cash and investments - beginning	<u>27,875</u>	<u>300,000</u>	<u>68,697</u>	<u>(45,465)</u>	<u>139,480</u>	<u>3,908</u>
Cash and investments - ending	<u>\$ 22,600</u>	<u>\$ 212,000</u>	<u>\$ 126,083</u>	<u>\$ (28,492)</u>	<u>\$ -</u>	<u>\$ 4,470</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 22,600</u>	<u>\$ 212,000</u>	<u>\$ 126,083</u>	<u>\$ (28,492)</u>	<u>\$ -</u>	<u>\$ 4,470</u>
Total cash and investment assets - ending	<u>\$ 22,600</u>	<u>\$ 212,000</u>	<u>\$ 126,083</u>	<u>\$ (28,492)</u>	<u>\$ -</u>	<u>\$ 4,470</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 22,600</u>	<u>\$ 212,000</u>	<u>\$ 126,083</u>	<u>\$ (28,492)</u>	<u>\$ -</u>	<u>\$ 4,470</u>
Total cash and investment fund balance - ending	<u>\$ 22,600</u>	<u>\$ 212,000</u>	<u>\$ 126,083</u>	<u>\$ (28,492)</u>	<u>\$ -</u>	<u>\$ 4,470</u>

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

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

	School Safe Haven	Recycling Grant	Arvin Sango Donation - Ranklin	CAPE Grant	Gifted and Talented	Instructional Support
Receipts:						
Local sources	\$ -	\$ 2,000	\$ -	\$ 33,500	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	12,822	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	2,000	-	33,500	12,822	-
Disbursements:						
Current:						
Instruction	2,352	-	-	53,666	2,789	-
Support services	-	855	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	2,352	855	-	53,666	2,789	-
Excess (deficiency) of receipts over disbursements	(2,352)	1,145	-	(20,166)	10,033	-
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	(2,352)	1,145	-	(20,166)	10,033	-
Cash and investments - beginning	2,223	1,795	261	(16,575)	283	150
Cash and investments - ending	\$ (129)	\$ 2,940	\$ 261	\$ (36,741)	\$ 10,316	\$ 150
Cash and Investment Assets - Ending						
Cash and investments	\$ (129)	\$ 2,940	\$ 261	\$ (36,741)	\$ 10,316	\$ 150
Total cash and investment assets - ending	\$ (129)	\$ 2,940	\$ 261	\$ (36,741)	\$ 10,316	\$ 150
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ (129)	\$ 2,940	\$ 261	\$ (36,741)	\$ 10,316	\$ 150
Total cash and investment fund balance - ending	\$ (129)	\$ 2,940	\$ 261	\$ (36,741)	\$ 10,316	\$ 150

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

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

	Medicare Reimbursement	School Technology	Buddy System	Technology Planning Grant	Performance Based Awards	PL 107-110 Title I
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	1,850	-	-	-
Federal sources	-	-	-	-	-	275,155
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	1,850	-	-	275,155
Disbursements:						
Current:						
Instruction	-	11,467	-	-	-	169,745
Support services	-	-	-	-	-	28,482
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	11,467	-	-	-	198,227
Excess (deficiency) of receipts over disbursements	-	(11,467)	1,850	-	-	76,928
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(1,077)	-	-
Total other financing sources (uses)	-	-	-	(1,077)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,467)	1,850	(1,077)	-	76,928
Cash and investments - beginning	732	18,353	-	2,876	985	70,807
Cash and investments - ending	\$ 732	\$ 6,886	\$ 1,850	\$ 1,799	\$ 985	\$ 147,735
Cash and Investment Assets - Ending						
Cash and investments	\$ 732	\$ 6,886	\$ 1,850	\$ 1,799	\$ 985	\$ 147,735
Total cash and investment assets - ending	\$ 732	\$ 6,886	\$ 1,850	\$ 1,799	\$ 985	\$ 147,735
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 732	\$ 6,886	\$ 1,850	\$ 1,799	\$ 985	\$ 147,735
Total cash and investment fund balance - ending	\$ 732	\$ 6,886	\$ 1,850	\$ 1,799	\$ 985	\$ 147,735

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

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

	Title V Part A 2005-2006	Safe and Drug Free Schools	Medicaid Reimbursement Federal	School Technology Grant	Title II Part A	Title II Part D
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	7,466	4,000	-	-	163,301	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	7,466	4,000	-	-	163,301	-
Disbursements:						
Current:						
Instruction	-	-	-	-	107,601	-
Support services	-	1,699	-	-	7,114	2,027
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	1,699	-	-	114,715	2,027
Excess (deficiency) of receipts over disbursements	7,466	2,301	-	-	48,586	(2,027)
Other financing sources (uses):						
Transfers in	300	-	-	-	-	1,077
Transfers out	-	-	-	-	(300)	-
Total other financing sources (uses)	300	-	-	-	(300)	1,077
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,766	2,301	-	-	48,286	(950)
Cash and investments - beginning	(300)	(2,054)	2,921	1,541	41,603	950
Cash and investments - ending	\$ 7,466	\$ 247	\$ 2,921	\$ 1,541	\$ 89,889	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,466	\$ 247	\$ 2,921	\$ 1,541	\$ 89,889	\$ -
Total cash and investment assets - ending	\$ 7,466	\$ 247	\$ 2,921	\$ 1,541	\$ 89,889	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 7,466	\$ 247	\$ 2,921	\$ 1,541	\$ 89,889	\$ -
Total cash and investment fund balance - ending	\$ 7,466	\$ 247	\$ 2,921	\$ 1,541	\$ 89,889	\$ -

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

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

	Retirement Bond	PSI Energy Savings	Construction Common School Jr. High	High School Construction	Totals
Receipts:					
Local sources	\$ 55,921	\$ -	\$ -	\$ -	\$ 506,160
Intermediate sources	-	-	-	-	562
State sources	-	-	-	-	103,453
Federal sources	-	-	-	-	749,889
Sale of property, adjustments and refunds	-	-	-	-	22,252
Total receipts	55,921	-	-	-	1,382,316
Disbursements:					
Current:					
Instruction	-	-	-	-	347,620
Support services	-	-	-	-	739,994
Community services	-	-	-	-	320
Nonprogrammed charges	-	-	-	-	56,518
Debt services	154,219	-	-	-	154,219
Interfund loans	-	-	-	-	88,000
Total disbursements	154,219	-	-	-	1,386,671
Excess (deficiency) of receipts over disbursements	(98,298)	-	-	-	(4,355)
Other financing sources (uses):					
Transfers in	1,136	-	-	-	2,513
Transfers out	-	-	-	-	(140,857)
Total other financing sources (uses)	1,136	-	-	-	(138,344)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(97,162)	-	-	-	(142,699)
Cash and investments - beginning	97,162	75,897	26,407	144,000	964,512
Cash and investments - ending	\$ -	\$ 75,897	\$ 26,407	\$ 144,000	\$ 821,813
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 75,897	\$ 26,407	\$ 144,000	\$ 821,813
Total cash and investment assets - ending	\$ -	\$ 75,897	\$ 26,407	\$ 144,000	\$ 821,813
Cash and Investment Fund Balance - Ending					
Unrestricted	\$ -	\$ 75,897	\$ 26,407	\$ 144,000	\$ 821,813
Total cash and investment fund balance - ending	\$ -	\$ 75,897	\$ 26,407	\$ 144,000	\$ 821,813

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

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

	Special Education Preschool	Local Rainy Day	School Lunch	Textbook Rental	Education License Plates	School Safe Haven
Receipts:						
Local sources	\$ 6,592	\$ -	\$ 307,806	\$ 89,720	\$ -	\$ -
Intermediate sources	-	-	-	-	75	-
State sources	48,437	-	7,136	75,453	-	3,015
Federal sources	-	-	305,700	-	-	-
Sale of property, adjustments and refunds	-	-	-	2,146	-	129
Interfund loans	-	88,000	-	-	-	-
Total receipts	<u>55,029</u>	<u>88,000</u>	<u>620,642</u>	<u>167,319</u>	<u>75</u>	<u>3,144</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	570,477	132,291	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	52,107	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>52,107</u>	<u>-</u>	<u>570,477</u>	<u>132,291</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,922</u>	<u>88,000</u>	<u>50,165</u>	<u>35,028</u>	<u>75</u>	<u>3,144</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(3,015)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,015)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,922</u>	<u>88,000</u>	<u>50,165</u>	<u>35,028</u>	<u>75</u>	<u>129</u>
Cash and investments - beginning	<u>22,600</u>	<u>212,000</u>	<u>126,083</u>	<u>(28,492)</u>	<u>4,470</u>	<u>(129)</u>
Cash and investments - ending	<u>\$ 25,522</u>	<u>\$ 300,000</u>	<u>\$ 176,248</u>	<u>\$ 6,536</u>	<u>\$ 4,545</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 25,522</u>	<u>\$ 300,000</u>	<u>\$ 176,248</u>	<u>\$ 6,536</u>	<u>\$ 4,545</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 25,522</u>	<u>\$ 300,000</u>	<u>\$ 176,248</u>	<u>\$ 6,536</u>	<u>\$ 4,545</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 25,522</u>	<u>\$ 300,000</u>	<u>\$ 176,248</u>	<u>\$ 6,536</u>	<u>\$ 4,545</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 25,522</u>	<u>\$ 300,000</u>	<u>\$ 176,248</u>	<u>\$ 6,536</u>	<u>\$ 4,545</u>	<u>\$ -</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ending June 30, 2008
 (Continued)

	Recycling Grant	Arvin Sango Donation - Ranklin	CAPE Grant	Gifted and Talented	Instructional Support	Medicare Reimbursement
Receipts:						
Local sources	\$ 2,000	\$ -	\$ 33,500	\$ 25	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	31,493	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>2,000</u>	<u>-</u>	<u>33,500</u>	<u>31,518</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	20,877	25,715	-	-
Support services	755	128	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>755</u>	<u>128</u>	<u>20,877</u>	<u>25,715</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,245</u>	<u>(128)</u>	<u>12,623</u>	<u>5,803</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(11)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,245</u>	<u>(139)</u>	<u>12,623</u>	<u>5,803</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>2,940</u>	<u>261</u>	<u>(36,741)</u>	<u>10,316</u>	<u>150</u>	<u>732</u>
Cash and investments - ending	<u>\$ 4,185</u>	<u>\$ 122</u>	<u>\$ (24,118)</u>	<u>\$ 16,119</u>	<u>\$ 150</u>	<u>\$ 732</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 4,185</u>	<u>\$ 122</u>	<u>\$ (24,118)</u>	<u>\$ 16,119</u>	<u>\$ 150</u>	<u>\$ 732</u>
Total cash and investment assets - ending	<u>\$ 4,185</u>	<u>\$ 122</u>	<u>\$ (24,118)</u>	<u>\$ 16,119</u>	<u>\$ 150</u>	<u>\$ 732</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 4,185</u>	<u>\$ 122</u>	<u>\$ (24,118)</u>	<u>\$ 16,119</u>	<u>\$ 150</u>	<u>\$ 732</u>
Total cash and investment fund balance - ending	<u>\$ 4,185</u>	<u>\$ 122</u>	<u>\$ (24,118)</u>	<u>\$ 16,119</u>	<u>\$ 150</u>	<u>\$ 732</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ending June 30, 2008
 (Continued)

	School Technology	Buddy System	Technology Planning Grant	Performance Based Awards	Title I Improvement	PL 107-110 Title I
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	28,478	299,114
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	-	-	28,478	299,114
Disbursements:						
Current:						
Instruction	5,290	1,850	-	-	-	317,757
Support services	-	-	1,810	-	3,910	29,231
Community services	-	-	-	-	-	22,809
Nonprogrammed charges	-	-	-	-	-	4,567
Debt services	-	-	-	-	-	-
Total disbursements	5,290	1,850	1,810	-	3,910	374,364
Excess (deficiency) of receipts over disbursements	(5,290)	(1,850)	(1,810)	-	24,568	(75,250)
Other financing sources (uses):						
Transfers in	-	-	11	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	11	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,290)	(1,850)	(1,799)	-	24,568	(75,250)
Cash and investments - beginning	6,886	1,850	1,799	985	-	147,735
Cash and investments - ending	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985</u>	<u>\$ 24,568</u>	<u>\$ 72,485</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985</u>	<u>\$ 24,568</u>	<u>\$ 72,485</u>
Total cash and investment assets - ending	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985</u>	<u>\$ 24,568</u>	<u>\$ 72,485</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985</u>	<u>\$ 24,568</u>	<u>\$ 72,485</u>
Total cash and investment fund balance - ending	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985</u>	<u>\$ 24,568</u>	<u>\$ 72,485</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ending June 30, 2008
 (Continued)

	Part A Title V 2007-2008	Part A Title V 2005-2006	Safe and Drug Free Schools	Medicaid Reimbursement Federal	School Technology Grant	Title II Part A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	12,395	-	17,413	-	-	143,137
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	12,395	-	17,413	-	-	143,137
Disbursements:						
Current:						
Instruction	-	-	100	-	-	123,702
Support services	-	7,466	13,019	-	934	8,388
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	7,466	13,119	-	934	132,090
Excess (deficiency) of receipts over disbursements	12,395	(7,466)	4,294	-	(934)	11,047
Other financing sources (uses):						
Transfers in	15,525	-	-	-	-	-
Transfers out	-	-	-	-	-	(41,610)
Total other financing sources (uses)	15,525	-	-	-	-	(41,610)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,920	(7,466)	4,294	-	(934)	(30,563)
Cash and investments - beginning	-	7,466	247	2,921	1,541	89,889
Cash and investments - ending	\$ 27,920	\$ -	\$ 4,541	\$ 2,921	\$ 607	\$ 59,326
Cash and Investment Assets - Ending						
Cash and investments	\$ 27,920	\$ -	\$ 4,541	\$ 2,921	\$ 607	\$ 59,326
Total cash and investment assets - ending	\$ 27,920	\$ -	\$ 4,541	\$ 2,921	\$ 607	\$ 59,326
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 27,920	\$ -	\$ 4,541	\$ 2,921	\$ 607	\$ 59,326
Total cash and investment fund balance - ending	\$ 27,920	\$ -	\$ 4,541	\$ 2,921	\$ 607	\$ 59,326

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ending June 30, 2008
 (Continued)

	Retirement Bond	PSI Energy Savings	Construction Common School Jr. High	High School Construction	Totals
Receipts:					
Local sources	\$ 105,187	\$ -	\$ -	\$ -	\$ 544,830
Intermediate sources	-	-	-	-	75
State sources	-	-	-	-	165,534
Federal sources	-	-	-	-	806,237
Sale of property, adjustments and refunds	-	-	-	-	2,275
Interfund loans	-	-	-	-	88,000
Total receipts	105,187	-	-	-	1,606,951
Disbursements:					
Current:					
Instruction	-	-	-	-	495,291
Support services	-	-	-	24,950	793,359
Community services	-	-	-	-	22,809
Nonprogrammed charges	-	-	-	-	56,674
Debt services	151,215	-	-	-	151,215
Total disbursements	151,215	-	-	24,950	1,519,348
Excess (deficiency) of receipts over disbursements	(46,028)	-	-	(24,950)	87,603
Other financing sources (uses):					
Transfers in	-	-	-	-	15,536
Transfers out	-	-	-	-	(44,636)
Total other financing sources (uses)	-	-	-	-	(29,100)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(46,028)	-	-	(24,950)	58,503
Cash and investments - beginning	-	75,897	26,407	144,000	821,813
Cash and investments - ending	\$ (46,028)	\$ 75,897	\$ 26,407	\$ 119,050	\$ 880,316
Cash and Investment Assets - Ending					
Cash and investments	\$ (46,028)	\$ 75,897	\$ 26,407	\$ 119,050	\$ 880,316
Total cash and investment assets - ending	\$ (46,028)	\$ 75,897	\$ 26,407	\$ 119,050	\$ 880,316
Cash and Investment Fund Balance - Ending					
Unrestricted	\$ (46,028)	\$ 75,897	\$ 26,407	\$ 119,050	\$ 880,316
Total cash and investment fund balance - ending	\$ (46,028)	\$ 75,897	\$ 26,407	\$ 119,050	\$ 880,316

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

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

	PSI Iota XI Sorority Music Gift	Donation Fund Various Awards	ISTEP	Desk Drawers Dollars 1	Special Vo-Ag Grounds Work	Youth Shelter - Yar Gift
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 150	\$ 500	\$ -	\$ -
Deductions:						
Administrative and general	-	-	-	843	120	-
Excess (deficiency) of total additions over total deductions	-	-	150	(343)	(120)	-
Cash and investment - beginning	150	632	-	522	796	104
Cash and investments - ending	<u>\$ 150</u>	<u>\$ 632</u>	<u>\$ 150</u>	<u>\$ 179</u>	<u>\$ 676</u>	<u>\$ 104</u>
Net assets:						
Cash and investments	\$ 150	\$ 632	\$ 150	\$ 179	\$ 676	\$ 104
Total net assets - cash and investment basis held in trust	<u>\$ 150</u>	<u>\$ 632</u>	<u>\$ 150</u>	<u>\$ 179</u>	<u>\$ 676</u>	<u>\$ 104</u>

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

	WHAS Crusade for Children	Excess Section 125	Industrial Tech - Bottomley	IDEA Grant - 4 Community Project	Basketball Donation	Coalition Substance Abuse
Additions:						
Contributions:						
Other	\$ 6,156	\$ 163	\$ 1,850	\$ 2,536	\$ -	\$ 2,000
Deductions:						
Administrative and general	4,188	-	59	1,246	-	-
Excess (deficiency) of total additions over total deductions	1,968	163	1,791	1,290	-	2,000
Cash and investment - beginning	(2,706)	12,841	64	500	3	-
Cash and investments - ending	<u>\$ (738)</u>	<u>\$ 13,004</u>	<u>\$ 1,855</u>	<u>\$ 1,790</u>	<u>\$ 3</u>	<u>\$ 2,000</u>
Net assets:						
Cash and investments	\$ (738)	\$ 13,004	\$ 1,855	\$ 1,790	\$ 3	\$ 2,000
Total net assets - cash and investment basis held in trust	<u>\$ (738)</u>	<u>\$ 13,004</u>	<u>\$ 1,855</u>	<u>\$ 1,790</u>	<u>\$ 3</u>	<u>\$ 2,000</u>

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

	<u>6th Grade</u>	<u>Desk Drawers Dollars 2</u>	<u>HS Media Arts Fees</u>	<u>Wal-Mart Special Ed Gift</u>	<u>Wal-Mart Foundation Wrestling</u>	<u>Extra- Curricular Athletic P.R.</u>
Additions:						
Contributions:						
Other	\$ 750	\$ 100	\$ 203	\$ 2,000	\$ 250	\$ 205
Deductions:						
Administrative and general	1,032	-	-	-	-	205
Excess (deficiency) of total additions over total deductions	(282)	100	203	2,000	250	-
Cash and investment - beginning	750	379	-	-	-	-
Cash and investments - ending	<u>\$ 468</u>	<u>\$ 479</u>	<u>\$ 203</u>	<u>\$ 2,000</u>	<u>\$ 250</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 468</u>	<u>\$ 479</u>	<u>\$ 203</u>	<u>\$ 2,000</u>	<u>\$ 250</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 468</u>	<u>\$ 479</u>	<u>\$ 203</u>	<u>\$ 2,000</u>	<u>\$ 250</u>	<u>\$ -</u>

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

	Shelter House 3rd Grade	Community Foundation 6th Grade	Div. Family (High)	Div. Family (Elem)	Division of Family Elementary	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 945	\$ 34,432	\$ 19,591	\$ 39,095	\$ 110,926
Deductions:						
Administrative and general	-	929	284	11,299	15,628	35,833
Excess (deficiency) of total additions over total deductions	-	16	34,148	8,292	23,467	75,093
Cash and investment - beginning	925	-	(34,148)	(8,292)	(23,467)	(50,947)
Cash and investments - ending	<u>\$ 925</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,146</u>
Net assets:						
Cash and investments	<u>\$ 925</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,146</u>
Total net assets - cash and investment basis held in trust	<u>\$ 925</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,146</u>

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

	PSI Iota XI Sorority Music Gift	Donation Fund Various Awards	ISTEP	Desk Drawers Dollars 1	Special Vo-Ag Grounds Work
Additions:					
Contributions:					
Other	\$ -	\$ 2,000	\$ 150	\$ -	\$ -
Deductions:					
Administrative and general	-	1,812	-	176	-
Excess (deficiency) of total additions over total deductions	-	188	150	(176)	-
Cash and investment - beginning	150	632	150	179	676
Cash and investments - ending	<u>\$ 150</u>	<u>\$ 820</u>	<u>\$ 300</u>	<u>\$ 3</u>	<u>\$ 676</u>
Net assets:					
Cash and investments	<u>\$ 150</u>	<u>\$ 820</u>	<u>\$ 300</u>	<u>\$ 3</u>	<u>\$ 676</u>
Total net assets - cash and investment basis held in trust	<u>\$ 150</u>	<u>\$ 820</u>	<u>\$ 300</u>	<u>\$ 3</u>	<u>\$ 676</u>

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

	Youth Shelter - Yar Gift	WHAS Crusade for Children	Excess Section 125	Industrial Tech - Bottomley	IDEA Grant - 4 Community Project
Additions:					
Contributions:					
Other	\$ -	\$ 7,322	\$ 2,514	\$ 660	\$ 240
Deductions:					
Administrative and general	-	6,111	-	2,468	1,995
Excess (deficiency) of total additions over total deductions	-	1,211	2,514	(1,808)	(1,755)
Cash and investment - beginning	104	(738)	13,004	1,855	1,790
Cash and investments - ending	<u>\$ 104</u>	<u>\$ 473</u>	<u>\$ 15,518</u>	<u>\$ 47</u>	<u>\$ 35</u>
Net assets:					
Cash and investments	<u>\$ 104</u>	<u>\$ 473</u>	<u>\$ 15,518</u>	<u>\$ 47</u>	<u>\$ 35</u>
Total net assets - cash and investment basis held in trust	<u>\$ 104</u>	<u>\$ 473</u>	<u>\$ 15,518</u>	<u>\$ 47</u>	<u>\$ 35</u>

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

	Spirit's Fund Grant (Elem.)	Delbert King Foundation	Basketball Donation	Coalition Substance Abuse	6th Grade
Additions:					
Contributions:					
Other	\$ 300	\$ 1,500	\$ -	\$ -	\$ 200
Deductions:					
Administrative and general	-	-	-	-	668
Excess (deficiency) of total additions over total deductions	300	1,500	-	-	(468)
Cash and investment - beginning	-	-	3	2,000	468
Cash and investments - ending	<u>\$ 300</u>	<u>\$ 1,500</u>	<u>\$ 3</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 300</u>	<u>\$ 1,500</u>	<u>\$ 3</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 300</u>	<u>\$ 1,500</u>	<u>\$ 3</u>	<u>\$ 2,000</u>	<u>\$ -</u>

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

	Desk Drawers Dollars 2	HS Media Arts Fees	Wal-Mart Special Ed Gift	Wal-Mart Foundation Wrestling	CPR Training Instruction
Additions:					
Contributions:					
Other	\$ 500	\$ -	\$ -	\$ -	\$ 371
Deductions:					
Administrative and general	138	-	404	-	20
Excess (deficiency) of total additions over total deductions	362	-	(404)	-	351
Cash and investment - beginning	479	203	2,000	250	-
Cash and investments - ending	<u>\$ 841</u>	<u>\$ 203</u>	<u>\$ 1,596</u>	<u>\$ 250</u>	<u>\$ 351</u>
Net assets:					
Cash and investments	<u>\$ 841</u>	<u>\$ 203</u>	<u>\$ 1,596</u>	<u>\$ 250</u>	<u>\$ 351</u>
Total net assets - cash and investment basis held in trust	<u>\$ 841</u>	<u>\$ 203</u>	<u>\$ 1,596</u>	<u>\$ 250</u>	<u>\$ 351</u>

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

	Extra- Curricular Athletic P.R.	Shelter House 3rd Grade	Community Foundation 6th Grade	Family/Children At Risk & Kind	Totals
Additions:					
Contributions:					
Other	\$ 2,755	\$ -	\$ 300	\$ 1,000	\$ 19,812
Deductions:					
Administrative and general	2,142	-	316	1,000	17,250
Excess (deficiency) of total additions over total deductions	613	-	(16)	-	2,562
Cash and investment - beginning	-	925	16	-	24,146
Cash and investments - ending	<u>\$ 613</u>	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,708</u>
Net assets:					
Cash and investments	<u>\$ 613</u>	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,708</u>
Total net assets - cash and investment basis held in trust	<u>\$ 613</u>	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,708</u>

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

June 30, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,125
Buildings	15,714,828
Improvements other than buildings	454,375
Machinery and equipment	1,540,028
Construction in progress	<u>1,495,072</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 19,206,428</u>

SOUTHWESTERN JEFFERSON COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Elementary school building	\$ 1,640,000	\$ 155,500
Notes and loans payable		
Common school fund loans	3,321,520	289,227
Guaranteed energy savings	3,482,461	220,033
Bonds payable:		
General obligation bonds:		
Pension bonds (retirement/severance)	<u>1,350,000</u>	<u>74,404</u>
Total governmental activities debt	<u>\$ 9,793,981</u>	<u>\$ 739,164</u>

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES (Applies to Corporation)

The balances of the following funds were overdrawn:

Fund	School Year 2006-2007	School Year 2007-2008
School Bus Replacement	\$ -	\$ 66,028
Textbook Rental	28,492	-
Retirement Bond	-	46,208
Cape Grant Fund	36,741	-

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)

SCHOOL LUNCH FUND DISBURSEMENT DOCUMENTATION (Applies to Food Services Director)

The following errors were found concerning cafeteria checks:

- (1) Two disbursements did not have an accounts payable voucher. These disbursements were for refunds on prepaid meals.
- (2) Two accounts payable vouchers were not mathematically correct. Included in the attached invoices were credit memos. The credit memos were paid as if they were invoices.
- (3) Twenty-four checks were sent to the vendors before the accounts payable vouchers were approved by the governing board.
- (4) One accounts payable voucher register was not presented for audit.
- (5) Eleven account payable vouchers did not have any verification of proof of delivery. The person receiving the goods or services did not sign the account payable voucher or purchase order.
- (6) Check endorsements could not be verified because the optical images of the backside of the checks were not available.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

IC 5-15-6-3(a) concerning optical imaging of checks states in part: ". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

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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 SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

Compliance

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

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01.

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

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)

Internal Control Over Compliance

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.

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2008-1, to be a material weakness.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

June 4, 2009

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
FY 06-07	10.553	07-4000	\$ 75,197	\$ -
FY 07-08		08-4000	-	86,265
Total for program			75,197	86,265
National School Lunch Program				
FY 06-07	10.555	07-4000	256,662	-
FY 07-08		08-4000	-	258,263
Total for program			256,662	258,263
Total for cluster			331,859	344,528
Total for federal grantor agency			331,859	344,528
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
FY 05-06	84.010	06-4000	12,878	-
FY 06-07		07-4000	185,349	106,435
FY 07-08		08-4000	-	263,362
FY 07-08		08-4000	-	3,910
Total for program			198,227	373,707
Safe and Drug Free Schools and Communities - State Grants				
FY 06-07	84.186	4000-06	1,699	1,968
FY 07-08		07-4000	-	11,151
Total for program			1,699	13,119
State Grants for Innovative Programs				
FY 05-06	84.298	06-4000	-	2,426
FY 05-06		05-292	-	5,040
Total for program			-	7,466
Education Technology State Grants				
07-01-05 to 09-30-06	84.318		950	-
Total for program			950	-
School Renovation Grants				
School Technology Grant	84.352	S352010015	-	934
Total for program			-	934
Mathematics and Science Partnerships				
FY 07-08	84.366	6000/182500	66,050	34,494
Total for program			66,050	34,494
Improving Teacher Quality State Grants				
FY 03-04	84.367	03-096	1,821	-
FY 04-05		6000/182500	41,852	42,062
FY 05-06		05-298	5,292	32,302
FY 06-07		06-4000	-	34,662
FY 07-08		07-4000	-	14,654
Total for program			48,965	123,680
Total for federal grantor agency			315,891	553,400
Total federal awards expended			\$ 647,750	\$ 897,928

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

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Scott County School District 1 (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The Southwestern Jefferson County Schools expended the following amounts of noncash assistance for the years ending June 30, 2007 and June 30, 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006-2007	2007-2008
School Breakfast Program	10.553	\$ 7,220	\$ 9,722
National School Lunch Program	10.555	24,672	38,828

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
N/A	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings

FINDING 2008-1, TITLE I, PART A, 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

Procedures followed by Southwestern Jefferson County Consolidated School Corporation in making cash drawdown requests have resulted in various instances of month-end balances of grant funds in excess of the following month's requirements. Nineteen of the twenty-three instances noted were material to the federal program. Consequently, material amounts of grant funds were held in excess of one month prior to disbursement. The following is a comparison of month-end cash balances and the following month's cash requirements.

<u>Month</u>	<u>Month-End Balance</u>	<u>Following Month's Requirements</u>
July 2006	\$ 91,559	\$ 18,770
August 2006	72,789	14,861
September 2006	57,929	14,351
October 2006	43,577	12,388
December 2006	59,246	10,126
January 2007	79,121	13,188
February 2007	95,932	15,134
March 2007	108,365	13,472
April 2007	124,893	13,746
May 2007	111,147	23,411
June 2007	147,735	25,238
July 2007	122,497	48,948
August 2007	73,548	32,248
September 2007	41,300	30,004
October 2007	71,410	58,933
November 2007	42,477	37,350
December 2007	35,127	18,409
January 2008	63,196	20,948
February 2008	76,248	33,249
March 2008	76,999	22,019
April 2008	88,980	30,153
May 2008	88,827	20,774
June 2008	97,054	36,147

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

We recommended that the School Corporation implement procedures that will reduce the time elapsed between the transfer of funds from grantors and the disbursement of these funds.

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Southwestern Jefferson County Consolidated School Corporation

239 South Main Cross Street Hanover, Indiana 47243-9309 Administrative Office 812-866-6250 FAX 812-866-6256

Superintendent

Mr. Steve Telfer

Assistant To

Superintendent/

Corporation Treasurer

Laura Boldery

May 7, 2009

CORRECTIVE ACTION PLAN

Board of School Trustees

Cree Green, President

Carroll Kleopfer, Vice-President

Jodi Gray, Secretary

Narci Burress, Member

David Nickels, Member

FINDING NO. 2008-1, TITLE I, PART A, CASH MANAGEMENT

Contact Person: Laura Boldery

Title: Corporation Treasurer/Assistant To The Superintendent

Contact Person: Steven Fleenor

Title: Title I Coordinator

Phone Number: 812-866-6253

Expected Completion Date: Immediately

We plan to take steps immediately, and have already done so, to keep a closer (month-to-month) contact with the individual in our corporation responsible for the expenditures that are to be paid from this grant. We have already talked to the person responsible for printing the purchase orders and putting account numbers on them. Before any Title I purchase orders are processed we will double check the account numbers being used and the amount of the orders.

In doing the above procedures the monthly amounts we project to expend and the amount requested on the cash request form (drawdown amounts) will be closer to the actual monthly disbursements resulting in a lower cash balance left at the end of each month.

Sincerely,



Laura Boldery

Corporation Treasurer/Assistant To The Superintendent

- 57 -

CHARACTER COUNTS!

Everywhere - All The Time

TRUSTWORTHINESS

RESPECT

RESPONSIBILITY

FAIRNESS

CARING

CITIZENSHIP

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2009, with Steve Telfer, Superintendent of Schools; Laura Boldery, Assistant to Superintendent of Schools/Treasurer; Cree Green, President of the School Board; and Wanda Spurgeon, Food Service Director.