

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

AUDIT REPORT

OF

SCOTT COUNTY SCHOOL DISTRICT 1

SCOTT COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

06/30/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Kenneth Kidd Kathie E. Bowling	07-01-06 to 12-31-08 01-01-09 to 06-30-09
Superintendent of Schools	Berley Goodin	07-01-06 to 06-30-09
President of the School Board	Darlene Hall Kathy Morris Linda Spicer	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scott County School District 1 (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 pre-scribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued a report dated May 26, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

May 26, 2009



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

TO: THE OFFICIALS OF THE SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scott County School District 1 (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated May 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

May 26, 2009

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction	\$ 6,851,543	\$ -	\$ 145,084	\$ (6,706,459)	
Support services	4,588,953	205,373	440,539	(3,943,041)	
Community services	133,492	-	-	(133,492)	
Nonprogrammed charges	539,871	-	-	(539,871)	
Debt service	<u>1,426,244</u>	<u>-</u>	<u>-</u>	<u>(1,426,244)</u>	
Total governmental activities	<u>\$ 13,540,103</u>	<u>\$ 205,373</u>	<u>\$ 585,623</u>	<u>(12,749,107)</u>	
General receipts:					
Property taxes				3,257,172	
Other local sources				1,094,642	
State aid				7,704,256	
Grants and contributions not restricted to specific programs				883,128	
Sale of property, adjustments, and refunds				40,592	
Investment earnings				<u>202,871</u>	
Total general receipts				<u>13,182,661</u>	
Change in net assets				433,554	
Net assets - beginning				<u>2,522,804</u>	
Net assets - ending				<u>\$ 2,956,358</u>	
<u>Assets</u>					
Cash and investments				\$ 2,470,930	
Restricted assets:					
Cash and investments				<u>485,428</u>	
Total assets				<u>\$ 2,956,358</u>	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 485,428	
Unrestricted				<u>2,470,930</u>	
Total net assets				<u>\$ 2,956,358</u>	

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction	\$ 6,819,087	\$ -	\$ 200,098	\$ (6,618,989)	
Support services	5,043,511	188,257	570,311	(4,284,943)	
Community services	163,107	-	-	(163,107)	
Nonprogrammed charges	768,721	-	-	(768,721)	
Debt service	1,436,180	-	-	(1,436,180)	
Total governmental activities	<u>\$ 14,230,606</u>	<u>\$ 188,257</u>	<u>\$ 770,409</u>	<u>(13,271,940)</u>	
General receipts:					
Property taxes				3,386,756	
Other local sources				652,360	
State aid				8,257,000	
Grants and contributions not restricted to specific programs				855,645	
Sale of property, adjustments, and refunds				42,385	
Investment earnings				131,246	
Total general receipts				<u>13,325,392</u>	
Change in net assets				53,452	
Net assets - beginning				<u>2,956,358</u>	
Net assets - ending				<u>\$ 3,009,810</u>	
<u>Assets</u>					
Cash and investments				\$ 2,531,763	
Restricted assets:					
Cash and investments				<u>478,047</u>	
Total assets				<u>\$ 3,009,810</u>	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 478,047	
Unrestricted				<u>2,531,763</u>	
Total net assets				<u>\$ 3,009,810</u>	

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,121,867	\$ 237,256	\$ -	\$ 1,352,011	\$ 579,285	\$ 64,077	\$ 403,793	\$ 4,758,289
Intermediate sources	-	-	-	-	-	-	1,768	1,768
State sources	7,823,668	-	-	-	-	-	101,996	7,925,664
Federal sources	-	-	-	-	-	-	1,247,344	1,247,344
Sale of property, adjustments and refunds	4,701	-	-	-	-	-	35,891	40,592
Total receipts	9,950,236	237,256	-	1,352,011	579,285	64,077	1,790,792	13,973,657
Disbursements:								
Current:								
Instruction	6,107,344	-	-	-	-	-	744,199	6,851,543
Support services	2,842,660	108,677	-	-	604,150	210,680	822,786	4,588,953
Community services	133,298	-	-	-	-	-	194	133,492
Nonprogrammed charges	497,919	-	-	-	-	-	41,952	539,871
Debt services	-	-	-	1,270,791	-	-	155,453	1,426,244
Total disbursements	9,581,221	108,677	-	1,270,791	604,150	210,680	1,764,584	13,540,103
Excess (deficiency) of receipts over disbursements	369,015	128,579	-	81,220	(24,865)	(146,603)	26,208	433,554
Other financing sources (uses):								
Transfers in	126,856	-	-	-	-	-	102,658	229,514
Transfers out	(27,202)	-	-	(15,897)	(126,856)	-	(59,559)	(229,514)
Total other financing sources (uses)	99,654	-	-	(15,897)	(126,856)	-	43,099	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	468,669	128,579	-	65,323	(151,721)	(146,603)	69,307	433,554
Cash and investments - beginning	695,911	(127,297)	250,000	420,105	849,225	246,300	188,560	2,522,804
Cash and investments - ending	\$ 1,164,580	\$ 1,282	\$ 250,000	\$ 485,428	\$ 697,504	\$ 99,697	\$ 257,867	\$ 2,956,358
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,164,580	\$ 1,282	\$ 250,000	\$ -	\$ 697,504	\$ 99,697	\$ 257,867	\$ 2,470,930
Restricted assets:								
Cash and investments	-	-	-	485,428	-	-	-	485,428
Total cash and investment assets - ending	\$ 1,164,580	\$ 1,282	\$ 250,000	\$ 485,428	\$ 697,504	\$ 99,697	\$ 257,867	\$ 2,956,358
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 485,428	\$ -	\$ -	\$ -	\$ 485,428
Unrestricted	1,164,580	1,282	250,000	-	697,504	99,697	257,867	2,470,930
Total cash and investment fund balance - ending	\$ 1,164,580	\$ 1,282	\$ 250,000	\$ 485,428	\$ 697,504	\$ 99,697	\$ 257,867	\$ 2,956,358

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,561,281	\$ 258,037	\$ -	\$ 1,265,589	\$ 648,808	\$ 116,719	\$ 506,257	\$ 4,356,691
Intermediate sources	142	-	-	-	-	-	1,786	1,928
State sources	8,411,747	-	-	-	-	-	164,351	8,576,098
Federal sources	-	-	-	-	-	-	1,306,956	1,306,956
Sale of property, adjustments and refunds	500	-	-	-	-	-	41,885	42,385
Total receipts	<u>9,973,670</u>	<u>258,037</u>	<u>-</u>	<u>1,265,589</u>	<u>648,808</u>	<u>116,719</u>	<u>2,021,235</u>	<u>14,284,058</u>
Disbursements:								
Current:								
Instruction	6,205,307	-	-	-	-	-	613,780	6,819,087
Support services	3,024,576	352,926	-	-	525,122	239,093	901,794	5,043,511
Community services	162,713	-	-	-	-	-	394	163,107
Nonprogrammed charges	714,552	-	-	-	-	-	54,169	768,721
Debt services	-	-	-	1,272,970	-	-	163,210	1,436,180
Total disbursements	<u>10,107,148</u>	<u>352,926</u>	<u>-</u>	<u>1,272,970</u>	<u>525,122</u>	<u>239,093</u>	<u>1,733,347</u>	<u>14,230,606</u>
Excess (deficiency) of receipts over disbursements	<u>(133,478)</u>	<u>(94,889)</u>	<u>-</u>	<u>(7,381)</u>	<u>123,686</u>	<u>(122,374)</u>	<u>287,888</u>	<u>53,452</u>
Other financing sources (uses):								
Transfers in	182,721	-	300,000	-	-	-	157,388	640,109
Transfers out	<u>(327,489)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(312,620)</u>	<u>(640,109)</u>
Total other financing sources (uses)	<u>(144,768)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,232)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(278,246)</u>	<u>(94,889)</u>	<u>300,000</u>	<u>(7,381)</u>	<u>123,686</u>	<u>(122,374)</u>	<u>132,656</u>	<u>53,452</u>
Cash and investments - beginning	<u>1,164,580</u>	<u>1,282</u>	<u>250,000</u>	<u>485,428</u>	<u>697,504</u>	<u>99,697</u>	<u>257,867</u>	<u>2,956,358</u>
Cash and investments - ending	<u>\$ 886,334</u>	<u>\$ (93,607)</u>	<u>\$ 550,000</u>	<u>\$ 478,047</u>	<u>\$ 821,190</u>	<u>\$ (22,677)</u>	<u>\$ 390,523</u>	<u>\$ 3,009,810</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 886,334	\$ (93,607)	\$ 550,000	\$ -	\$ 821,190	\$ (22,677)	\$ 390,523	\$ 2,531,763
Restricted assets:								
Cash and investments	-	-	-	478,047	-	-	-	478,047
Total cash and investment assets - ending	<u>\$ 886,334</u>	<u>\$ (93,607)</u>	<u>\$ 550,000</u>	<u>\$ 478,047</u>	<u>\$ 821,190</u>	<u>\$ (22,677)</u>	<u>\$ 390,523</u>	<u>\$ 3,009,810</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 478,047	\$ -	\$ -	\$ -	\$ 478,047
Unrestricted	886,334	(93,607)	550,000	-	821,190	(22,677)	390,523	2,531,763
Total cash and investment fund balance - ending	<u>\$ 886,334</u>	<u>\$ (93,607)</u>	<u>\$ 550,000</u>	<u>\$ 478,047</u>	<u>\$ 821,190</u>	<u>\$ (22,677)</u>	<u>\$ 390,523</u>	<u>\$ 3,009,810</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 46,440	
Deductions:			
Administrative and general	-	43,805	
Excess of total additions over total deductions		2,635	
Cash and investment fund balance - beginning	553,408	(15,611)	
Cash and investment fund balance - ending	<u>\$ 553,408</u>	<u>\$ (12,976)</u>	<u>\$ 87,660</u>
Net assets:			
Cash and investments	<u>\$ 553,408</u>	<u>\$ (12,976)</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 553,408</u>	<u>\$ (12,976)</u>	

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

SCOTT COUNTY SCHOOL DISTRICT 1
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>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 40,827	
Deductions:			
Benefits	335,038	-	
Administrative and general	<u>-</u>	<u>37,462</u>	
Total deductions	<u>335,038</u>	<u>37,462</u>	
Excess (deficiency) of total additions over total deductions	(335,038)	3,365	
Cash and investment fund balance - beginning	<u>553,408</u>	<u>(12,976)</u>	
Cash and investment fund balance - ending	<u>\$ 218,370</u>	<u>\$ (9,611)</u>	<u>\$ 97,337</u>
Net assets:			
Cash and investments	<u>\$ 218,370</u>	<u>\$ (9,611)</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 218,370</u>	<u>\$ (9,611)</u>	

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

SCOTT COUNTY SCHOOL DISTRICT 1
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: 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 Madison Consolidated Schools, Scott County School District 2, Southwestern Jefferson County Consolidated Schools, and Switzerland County School Corporation in a joint venture to operate the Madison Area Educational Special Services Unit (MAESSU) which was created to provide educational services to handicapped students. The School Corporation is obligated by contract to remit \$472,344 and \$637,152 for the fiscal years ended June 30, 2007 and June 30, 2008, respectively. Complete financial statements for MAESSU can be obtained from the MAESSU administrative office in Madison, 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.

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.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

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

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

The rainy day fund is to account for funds in accordance with IC 36-1-8-5 and a locally adopted resolution.

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 funds account for receipts and disbursements concerning retirement/severance benefits as authorized by statute and the School Corporation.

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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.

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.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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.

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.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

For the budget years ended December 31, 2007 and 2008, disbursements exceeded budgeted appropriations in the Transportation Operating Fund by \$15,102 and \$53,315, respectively.

C. 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
Governmental funds:		
Transportation Operating	\$ -	\$ 93,608
Transportation Bus Replacement	-	22,677
Retirement Bond	75,612	3,237
Textbook Rental	70,303	94,324
IUS Book Fund	-	1,451
Scott County 1998 School Bldg. Corporation	-	11,013
Scott County Community Channel	1,604	-
Tophat Grant	12,770	15,166
	<u> </u>	<u> </u>
Total governmental funds	<u>\$ 160,289</u>	<u>\$ 241,476</u>

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2007	2008
Fiduciary funds:		
Beswick Scholarship	\$ 600	\$ 600
CAPE Grant	14,866	15,263
Kids First	209	-
We Care	252	252
Community Foundation Grant	791	-
Total fiduciary funds	<u>\$ 16,718</u>	<u>\$ 16,115</u>

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At June 30, 2008, all School Corporation 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

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities 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	Rainy Day	\$ -	\$ 300,000
General Fund	Other governmental funds	27,202	27,489
Capital Projects	General Fund	126,856	-
Debt Service	Other governmental funds	15,897	-
Other governmental funds	General Fund	-	182,721
Other governmental funds	Other governmental funds	<u>59,559</u>	<u>129,899</u>
Totals		<u>\$ 229,514</u>	<u>\$ 640,109</u>

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

IV. Other Information

A. Risk Management

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The School Corporation has entered into a capital lease with the Scott County 1998 School Building Corporation (the Lessor). The Lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The Lessor has been determined to be a related party of the School Corporation. Lease payments during the years ending June 30, 2007, and June 30, 2008, were \$424,787 and \$445,005, respectively.

C. 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.

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.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 89,345
Interest on net pension obligation	(6,545)
Adjustment to annual required contribution	7,459
Annual pension cost	90,259
Contributions made	72,032
Increase in net pension obligation	18,227
Net pension obligation, beginning of year	(90,281)
Net pension obligation, end of year	\$ (72,054)

	PERF
Contribution rates:	
School Corporation	4.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 67,056	69%	\$ (118,526)
	06-30-07	83,049	66%	(90,281)
	06-30-08	90,259	80%	(72,054)

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

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 7.25% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$176,985, \$163,313, and \$145,628, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

SCOTT COUNTY SCHOOL DISTRICT 1
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,449,421	\$ 1,459,996	\$ (10,575)	99%	\$ 1,288,030	(1%)
07-01-07	1,655,177	1,664,791	(9,614)	99%	1,356,866	(1%)
07-01-08	1,856,690	1,916,553	(59,863)	97%	1,395,989	(4%)

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	IU Southeast Partnership	Education License Plate	Safe Haven School	Early Intervention
Receipts:							
Local sources	\$ 4,676	\$ 203,507	\$ 54,123	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	750	-	-
State sources	35,788	3,692	36,344	12,896	-	-	500
Federal sources	-	400,503	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	40,464	607,702	90,467	12,896	750	-	500
Disbursements:							
Current:							
Instruction	-	-	-	3,855	-	-	-
Support services	-	656,930	71,901	10,213	-	2,173	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	35,074	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	35,074	656,930	71,901	14,068	-	2,173	-
Excess (deficiency) of receipts over disbursements	5,390	(49,228)	18,566	(1,172)	750	(2,173)	500
Other financing sources (uses):							
Transfers in	-	-	15,997	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	15,997	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,390	(49,228)	34,563	(1,172)	750	(2,173)	500
Cash and investments - beginning	24,863	168,751	(104,866)	10,528	3,119	(542)	500
Cash and investments - ending	\$ 30,253	\$ 119,523	\$ (70,303)	\$ 9,356	\$ 3,869	\$ (2,715)	\$ 1,000
Cash and Investment Assets - Ending							
Cash and investments	\$ 30,253	\$ 119,523	\$ (70,303)	\$ 9,356	\$ 3,869	\$ (2,715)	\$ 1,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 30,253	\$ 119,523	\$ (70,303)	\$ 9,356	\$ 3,869	\$ (2,715)	\$ 1,000
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	30,253	119,523	(70,303)	9,356	3,869	(2,715)	1,000
Total cash and investment fund balance - ending	\$ 30,253	\$ 119,523	\$ (70,303)	\$ 9,356	\$ 3,869	\$ (2,715)	\$ 1,000

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	Gifted and Talented 04/05	Non English Speaking Programs	Technology Plan Grant 96/2003	Tophat Grant	Scott County Community Channel	Title I 2006	Title I Year 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	12,776	-	-	-	-	-	-
Federal sources	-	-	-	-	-	48,328	346,728
Sale of property, adjustments and refunds	-	-	-	-	35,891	-	-
Total receipts	12,776	-	-	-	35,891	48,328	346,728
Disbursements:							
Current:							
Instruction	3,149	-	-	-	38,056	126,744	216,115
Support services	-	-	-	6,089	10,652	5,961	3,019
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	3,149	-	-	6,089	48,708	132,705	219,134
Excess (deficiency) of receipts over disbursements	9,627	-	-	(6,089)	(12,817)	(84,377)	127,594
Other financing sources (uses):							
Transfers in	-	-	-	-	-	80,988	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	80,988	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,627	-	-	(6,089)	(12,817)	(3,389)	127,594
Cash and investments - beginning	(8,246)	221	139	(6,681)	11,213	(21,422)	-
Cash and investments - ending	\$ 1,381	\$ 221	\$ 139	\$ (12,770)	\$ (1,604)	\$ (24,811)	\$ 127,594
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,381	\$ 221	\$ 139	\$ (12,770)	\$ (1,604)	\$ (24,811)	\$ 127,594
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,381	\$ 221	\$ 139	\$ (12,770)	\$ (1,604)	\$ (24,811)	\$ 127,594
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,381	221	139	(12,770)	(1,604)	(24,811)	127,594
Total cash and investment fund balance - ending	\$ 1,381	\$ 221	\$ 139	\$ (12,770)	\$ (1,604)	\$ (24,811)	\$ 127,594

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title I FY 04-05	School Improvement Grant-Title I AES	Title V FY 2004	Title V	IASA Title VI FY 02
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	35,324	8,553	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	35,324	8,553	-	-
Disbursements:					
Current:					
Instruction	102	34,194	-	-	-
Support services	1,200	1,829	-	-	-
Community services	-	194	-	-	-
Nonprogrammed charges	-	-	6,878	-	-
Debt services	-	-	-	-	-
Total disbursements	1,302	36,217	6,878	-	-
Excess (deficiency) of receipts over disbursements	(1,302)	(893)	1,675	-	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(53,886)	-	-	(2,200)	-
Total other financing sources (uses)	(53,886)	-	-	(2,200)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(55,188)	(893)	1,675	(2,200)	-
Cash and investments - beginning	100,404	16,522	(112)	(2,355)	(200)
Cash and investments - ending	<u>\$ 45,216</u>	<u>\$ 15,629</u>	<u>\$ 1,563</u>	<u>\$ (4,555)</u>	<u>\$ (200)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 45,216	\$ 15,629	\$ 1,563	\$ (4,555)	\$ (200)
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 45,216</u>	<u>\$ 15,629</u>	<u>\$ 1,563</u>	<u>\$ (4,555)</u>	<u>\$ (200)</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	45,216	15,629	1,563	(4,555)	(200)
Total cash and investment fund balance - ending	<u>\$ 45,216</u>	<u>\$ 15,629</u>	<u>\$ 1,563</u>	<u>\$ (4,555)</u>	<u>\$ (200)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	I - Read Grant	Drug Free Schools 05	Drug Free Schools 03	Title IV A Drug Free Schools 04	Drug Free Schools	Drug Free Schools 06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	9,066	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	9,066	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	10,672	-	-	183
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	10,672	-	-	183
Excess (deficiency) of receipts over disbursements	-	9,066	(10,672)	-	-	(183)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(3,473)	-	-
Total other financing sources (uses)	-	-	-	(3,473)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,066	(10,672)	(3,473)	-	(183)
Cash and investments - beginning	(4,107)	9,907	(17,928)	4,442	(826)	(2,508)
Cash and investments - ending	\$ (4,107)	\$ 18,973	\$ (28,600)	\$ 969	\$ (826)	\$ (2,691)
Cash and Investment Assets - Ending						
Cash and investments	\$ (4,107)	\$ 18,973	\$ (28,600)	\$ 969	\$ (826)	\$ (2,691)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (4,107)	\$ 18,973	\$ (28,600)	\$ 969	\$ (826)	\$ (2,691)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(4,107)	18,973	(28,600)	969	(826)	(2,691)
Total cash and investment fund balance - ending	\$ (4,107)	\$ 18,973	\$ (28,600)	\$ 969	\$ (826)	\$ (2,691)

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	Medicaid Reimbursement Federal	Educate Indiana Grants	21st Century Community Learning Center	IASA Class-Size Reduction Program	Title II Part A Class Size	Title II Part D FY 2003
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	124,573	-	143,575	100,694
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	124,573	-	143,575	100,694
Disbursements:						
Current:						
Instruction	-	-	114,810	-	90,053	3,080
Support services	-	-	18,117	-	-	8,900
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	132,927	-	90,053	11,980
Excess (deficiency) of receipts over disbursements	-	-	(8,354)	-	53,522	88,714
Other financing sources (uses):						
Transfers in	-	-	-	-	5,673	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	5,673	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(8,354)	-	59,195	88,714
Cash and investments - beginning	542	12,915	18,354	574	(26,825)	(3,952)
Cash and investments - ending	\$ 542	\$ 12,915	\$ 10,000	\$ 574	\$ 32,370	\$ 84,762
Cash and Investment Assets - Ending						
Cash and investments	\$ 542	\$ 12,915	\$ 10,000	\$ 574	\$ 32,370	\$ 84,762
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 542	\$ 12,915	\$ 10,000	\$ 574	\$ 32,370	\$ 84,762
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	542	12,915	10,000	574	32,370	84,762
Total cash and investment fund balance - ending	\$ 542	\$ 12,915	\$ 10,000	\$ 574	\$ 32,370	\$ 84,762

SCOTT COUNTY SCHOOL DISTRICT 1
 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 II Part D FY 2005	Title II Part D Comp 2005	Title III Language Instruction	Retirement Bond	Scott County 1998 School Building Corp.	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 141,487	\$ -	\$ 403,793
Intermediate sources	-	-	1,018	-	-	1,768
State sources	-	-	-	-	-	101,996
Federal sources	-	30,000	-	-	-	1,247,344
Sale of property, adjustments and refunds	-	-	-	-	-	35,891
Total receipts	-	30,000	1,018	141,487	-	1,790,792
Disbursements:						
Current:						
Instruction	25,566	46,980	-	-	41,495	744,199
Support services	1,268	-	-	-	13,679	822,786
Community services	-	-	-	-	-	194
Nonprogrammed charges	-	-	-	-	-	41,952
Debt services	-	-	-	155,453	-	155,453
Total disbursements	26,834	46,980	-	155,453	55,174	1,764,584
Excess (deficiency) of receipts over disbursements	(26,834)	(16,980)	1,018	(13,966)	(55,174)	26,208
Other financing sources (uses):						
Transfers in	-	-	-	-	-	102,658
Transfers out	-	-	-	-	-	(59,559)
Total other financing sources (uses)	-	-	-	-	-	43,099
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,834)	(16,980)	1,018	(13,966)	(55,174)	69,307
Cash and investments - beginning	(87)	1,496	98	(61,646)	66,275	188,560
Cash and investments - ending	\$ (26,921)	\$ (15,484)	\$ 1,116	\$ (75,612)	\$ 11,101	\$ 257,867
Cash and Investment Assets - Ending						
Cash and investments	\$ (26,921)	\$ (15,484)	\$ 1,116	\$ (75,612)	\$ 11,101	\$ 257,867
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (26,921)	\$ (15,484)	\$ 1,116	\$ (75,612)	\$ 11,101	\$ 257,867
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(26,921)	(15,484)	1,116	(75,612)	11,101	257,867
Total cash and investment fund balance - ending	\$ (26,921)	\$ (15,484)	\$ 1,116	\$ (75,612)	\$ 11,101	\$ 257,867

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	IU Southeast Partnership	IUS Book	Education License Plate	Safe Haven School
Receipts:							
Local sources	\$ 5,283	\$ 185,981	\$ 47,255	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	450	-
State sources	41,879	3,523	70,809	13,818	-	-	-
Federal sources	-	498,471	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	47,162	687,975	118,064	13,818	-	450	-
Disbursements:							
Current:							
Instruction	-	-	-	3,600	-	-	-
Support services	-	666,658	142,085	8,309	1,451	-	8,323
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	51,551	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	51,551	666,658	142,085	11,909	1,451	-	8,323
Excess (deficiency) of receipts over disbursements	(4,389)	21,317	(24,021)	1,909	(1,451)	450	(8,323)
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	(4,389)	21,317	(24,021)	1,909	(1,451)	450	(8,323)
Cash and investments - beginning	30,253	119,523	(70,303)	9,356	-	3,869	(2,715)
Cash and investments - ending	\$ 25,864	\$ 140,840	\$ (94,324)	\$ 11,265	\$ (1,451)	\$ 4,319	\$ (11,038)
Cash and Investment Assets - Ending							
Cash and investments	\$ 25,864	\$ 140,840	\$ (94,324)	\$ 11,265	\$ (1,451)	\$ 4,319	\$ (11,038)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 25,864	\$ 140,840	\$ (94,324)	\$ 11,265	\$ (1,451)	\$ 4,319	\$ (11,038)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	25,864	140,840	(94,324)	11,265	(1,451)	4,319	(11,038)
Total cash and investment fund balance - ending	\$ 25,864	\$ 140,840	\$ (94,324)	\$ 11,265	\$ (1,451)	\$ 4,319	\$ (11,038)

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Early Intervention	Gifted and Talented 04/05	Non English Speaking Programs	School Technology	Technology Plan Grant 96/2003	Tophat Grant	Scott County Community Channel
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	31,533	-	2,789	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	41,885
Total receipts	-	31,533	-	2,789	-	-	41,885
Disbursements:							
Current:							
Instruction	-	14,357	-	-	-	2,102	25,530
Support services	-	-	-	-	-	294	8,346
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	14,357	-	-	-	2,396	33,876
Excess (deficiency) of receipts over disbursements	-	17,176	-	2,789	-	(2,396)	8,009
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	-	17,176	-	2,789	-	(2,396)	8,009
Cash and investments - beginning	1,000	1,381	221	-	139	(12,770)	(1,604)
Cash and investments - ending	<u>\$ 1,000</u>	<u>\$ 18,557</u>	<u>\$ 221</u>	<u>\$ 2,789</u>	<u>\$ 139</u>	<u>\$ (15,166)</u>	<u>\$ 6,405</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,000	\$ 18,557	\$ 221	\$ 2,789	\$ 139	\$ (15,166)	\$ 6,405
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,000</u>	<u>\$ 18,557</u>	<u>\$ 221</u>	<u>\$ 2,789</u>	<u>\$ 139</u>	<u>\$ (15,166)</u>	<u>\$ 6,405</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,000	18,557	221	2,789	139	(15,166)	6,405
Total cash and investment fund balance - ending	<u>\$ 1,000</u>	<u>\$ 18,557</u>	<u>\$ 221</u>	<u>\$ 2,789</u>	<u>\$ 139</u>	<u>\$ (15,166)</u>	<u>\$ 6,405</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I 2006	Title I Year 06-07	ESEA Chapter 1 Year 2002	Title I FY 04-05	School Improvement Grant-Title I AES	Title V FY 2004	Title V
Receipts:							
Local sources	\$ -	\$ 30,693	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	218,000	160,144	-	55,000	2,618	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	248,693	160,144	-	55,000	2,618	-
Disbursements:							
Current:							
Instruction	761	202,401	245	-	28,842	-	-
Support services	658	29,250	-	-	-	-	-
Community services	-	394	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	2,618
Debt services	-	-	-	-	-	-	-
Total disbursements	1,419	232,045	245	-	28,842	-	2,618
Excess (deficiency) of receipts over disbursements	(1,419)	16,648	159,899	-	26,158	2,618	(2,618)
Other financing sources (uses):							
Transfers in	-	147,388	-	-	-	-	-
Transfers out	-	(145,809)	(119,899)	-	(11,573)	-	-
Total other financing sources (uses)	-	1,579	(119,899)	-	(11,573)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,419)	18,227	40,000	-	14,585	2,618	(2,618)
Cash and investments - beginning	(24,811)	127,594	-	45,216	15,629	1,563	(4,555)
Cash and investments - ending	\$ (26,230)	\$ 145,821	\$ 40,000	\$ 45,216	\$ 30,214	\$ 4,181	\$ (7,173)
Cash and Investment Assets - Ending							
Cash and investments	\$ (26,230)	\$ 145,821	\$ 40,000	\$ 45,216	\$ 30,214	\$ 4,181	\$ (7,173)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (26,230)	\$ 145,821	\$ 40,000	\$ 45,216	\$ 30,214	\$ 4,181	\$ (7,173)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(26,230)	145,821	40,000	45,216	30,214	4,181	(7,173)
Total cash and investment fund balance - ending	\$ (26,230)	\$ 145,821	\$ 40,000	\$ 45,216	\$ 30,214	\$ 4,181	\$ (7,173)

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	IASA Title VI FY 02	I - Read Grant	Drug Free Schools 05	Drug Free Schools 03	Title IV A Drug Free Schools 04	Drug Free Schools	Drug Free Schools 06
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	6,992	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	6,992	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	4,975	10,222	-	-	1,000
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	4,975	10,222	-	-	1,000
Excess (deficiency) of receipts over disbursements	-	-	2,017	(10,222)	-	-	(1,000)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	2,017	(10,222)	-	-	(1,000)
Cash and investments - beginning	(200)	(4,107)	18,973	(28,600)	969	(826)	(2,691)
Cash and investments - ending	<u>\$ (200)</u>	<u>\$ (4,107)</u>	<u>\$ 20,990</u>	<u>\$ (38,822)</u>	<u>\$ 969</u>	<u>\$ (826)</u>	<u>\$ (3,691)</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (200)	\$ (4,107)	\$ 20,990	\$ (38,822)	\$ 969	\$ (826)	\$ (3,691)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (200)</u>	<u>\$ (4,107)</u>	<u>\$ 20,990</u>	<u>\$ (38,822)</u>	<u>\$ 969</u>	<u>\$ (826)</u>	<u>\$ (3,691)</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(200)	(4,107)	20,990	(38,822)	969	(826)	(3,691)
Total cash and investment fund balance - ending	<u>\$ (200)</u>	<u>\$ (4,107)</u>	<u>\$ 20,990</u>	<u>\$ (38,822)</u>	<u>\$ 969</u>	<u>\$ (826)</u>	<u>\$ (3,691)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Medicaid Reimbursement Federal	Educate Indiana Grants	21st Century Community Learning Center	IASA Class-Size Reduction Program	Title II Part A Class Size	Title II Part D FY 2003
Receipts:						
Local sources	\$ -	\$ -	\$ 1,460	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	206,635	-	93,180	65,916
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	208,095	-	93,180	65,916
Disbursements:						
Current:						
Instruction	-	-	129,390	-	132,800	51,638
Support services	-	-	18,773	-	-	1,350
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	148,163	-	132,800	52,988
Excess (deficiency) of receipts over disbursements	-	-	59,932	-	(39,620)	12,928
Other financing sources (uses):						
Transfers in	-	-	-	-	-	10,000
Transfers out	-	-	(15,668)	-	-	(19,671)
Total other financing sources (uses)	-	-	(15,668)	-	-	(9,671)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	44,264	-	(39,620)	3,257
Cash and investments - beginning	542	12,915	10,000	574	32,370	84,762
Cash and investments - ending	\$ 542	\$ 12,915	\$ 54,264	\$ 574	\$ (7,250)	\$ 88,019
Cash and Investment Assets - Ending						
Cash and investments	\$ 542	\$ 12,915	\$ 54,264	\$ 574	\$ (7,250)	\$ 88,019
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 542	\$ 12,915	\$ 54,264	\$ 574	\$ (7,250)	\$ 88,019
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	542	12,915	54,264	574	(7,250)	88,019
Total cash and investment fund balance - ending	\$ 542	\$ 12,915	\$ 54,264	\$ 574	\$ (7,250)	\$ 88,019

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part D FY 2005	Title II Part D Comp 2005	Title III Language Instruction	Retirement Bond	Scott County 1998 School Building Corp.	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 235,585	\$ -	\$ 506,257
Intermediate sources	-	-	1,336	-	-	1,786
State sources	-	-	-	-	-	164,351
Federal sources	-	-	-	-	-	1,306,956
Sale of property, adjustments and refunds	-	-	-	-	-	41,885
Total receipts	-	-	1,336	235,585	-	2,021,235
Disbursements:						
Current:						
Instruction	-	-	-	-	22,114	613,780
Support services	-	-	100	-	-	901,794
Community services	-	-	-	-	-	394
Nonprogrammed charges	-	-	-	-	-	54,169
Debt services	-	-	-	163,210	-	163,210
Total disbursements	-	-	100	163,210	22,114	1,733,347
Excess (deficiency) of receipts over disbursements	-	-	1,236	72,375	(22,114)	287,888
Other financing sources (uses):						
Transfers in	-	-	-	-	-	157,388
Transfers out	-	-	-	-	-	(312,620)
Total other financing sources (uses)	-	-	-	-	-	(155,232)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,236	72,375	(22,114)	132,656
Cash and investments - beginning	(26,921)	(15,484)	1,116	(75,612)	11,101	257,867
Cash and investments - ending	<u>\$ (26,921)</u>	<u>\$ (15,484)</u>	<u>\$ 2,352</u>	<u>\$ (3,237)</u>	<u>\$ (11,013)</u>	<u>\$ 390,523</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (26,921)	\$ (15,484)	\$ 2,352	\$ (3,237)	\$ (11,013)	\$ 390,523
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (26,921)</u>	<u>\$ (15,484)</u>	<u>\$ 2,352</u>	<u>\$ (3,237)</u>	<u>\$ (11,013)</u>	<u>\$ 390,523</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(26,921)	(15,484)	2,352	(3,237)	(11,013)	390,523
Total cash and investment fund balance - ending	<u>\$ (26,921)</u>	<u>\$ (15,484)</u>	<u>\$ 2,352</u>	<u>\$ (3,237)</u>	<u>\$ (11,013)</u>	<u>\$ 390,523</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Walmart Teacher of the Year McIntosh	Walmart Teacher of the Year Atkins	Walmart Teacher of the Year Barger	Community Foundation Grant	River Valley Resources Project Gold High School	Montgomery Science	Beswick Scholarship
Additions:							
Contributions:							
Other	\$ 1,000	\$ 570	\$ 1,000	\$ 4,200	\$ 1,000	\$ -	\$ -
Deductions:							
Administrative and general	119	448	-	4,991	597	-	-
Excess (deficiency) of total additions over total deductions	881	122	1,000	(791)	403	-	-
Cash and investment fund balance - beginning	-	-	-	-	1,000	38	(600)
Cash and investments - June 30	<u>\$ 881</u>	<u>\$ 122</u>	<u>\$ 1,000</u>	<u>\$ (791)</u>	<u>\$ 1,403</u>	<u>\$ 38</u>	<u>\$ (600)</u>
Net assets:							
Cash and investments	<u>\$ 881</u>	<u>\$ 122</u>	<u>\$ 1,000</u>	<u>\$ (791)</u>	<u>\$ 1,403</u>	<u>\$ 38</u>	<u>\$ (600)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 881</u>	<u>\$ 122</u>	<u>\$ 1,000</u>	<u>\$ (791)</u>	<u>\$ 1,403</u>	<u>\$ 38</u>	<u>\$ (600)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Box Top Austin Elementary	Kids First	Candy Factory Austin Middle School	We Care	Cape Grant	Totals
Additions:						
Contributions:						
Other	\$ 308	\$ 2,500	\$ 3,283	\$ 32,579	\$ -	\$ 46,440
Deductions:						
Administrative and general	-	455	3,118	32,831	1,246	43,805
Excess (deficiency) of total additions over total deductions	308	2,045	165	(252)	(1,246)	2,635
Cash and investment fund balance - beginning	-	(2,254)	(175)	-	(13,620)	(15,611)
Cash and investments - June 30	<u>\$ 308</u>	<u>\$ (209)</u>	<u>\$ (10)</u>	<u>\$ (252)</u>	<u>\$ (14,866)</u>	<u>\$ (12,976)</u>
Net assets:						
Cash and investments	<u>\$ 308</u>	<u>\$ (209)</u>	<u>\$ (10)</u>	<u>\$ (252)</u>	<u>\$ (14,866)</u>	<u>\$ (12,976)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 308</u>	<u>\$ (209)</u>	<u>\$ (10)</u>	<u>\$ (252)</u>	<u>\$ (14,866)</u>	<u>\$ (12,976)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Walmart Attendance Grant High School	Walmart Teacher of the Year McIntosh	Walmart Teacher of the Year Atkins	Walmart Teacher of the Year Barger	Community Foundation Grant	River Valley Resources Project Gold High School	Montgomery Science
Additions:							
Contributions:							
Other	\$ 500	\$ -	\$ -	\$ -	\$ 4,210	\$ -	\$ -
Deductions:							
Administrative and general	536	608	122	-	3,324	-	-
Excess (deficiency) of total additions over total deductions	(36)	(608)	(122)	-	886	-	-
Cash and investment fund balance - beginning	-	881	122	1,000	(791)	1,403	38
Cash and investments - June 30	<u>\$ (36)</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 95</u>	<u>\$ 1,403</u>	<u>\$ 38</u>
Net assets:							
Cash and investments	<u>\$ (36)</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 95</u>	<u>\$ 1,403</u>	<u>\$ 38</u>
Total net assets - cash and investment basis held in trust	<u>\$ (36)</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 95</u>	<u>\$ 1,403</u>	<u>\$ 38</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Beswick Scholarship	Box Top Austin Elementary	Kids First	Candy Factory Austin Middle School	We Care	Cape Grant	Totals
Additions:							
Contributions:							
Other	\$ -	\$ 1,660	\$ 3,000	\$ 2,629	\$ 28,828	\$ -	\$ 40,827
Deductions:							
Administrative and general	-	308	1,772	1,567	28,828	397	37,462
Excess (deficiency) of total additions over total deductions	-	1,352	1,228	1,062	-	(397)	3,365
Cash and investment fund balance - beginning	(600)	308	(209)	(10)	(252)	(14,866)	(12,976)
Cash and investments - June 30	<u>\$ (600)</u>	<u>\$ 1,660</u>	<u>\$ 1,019</u>	<u>\$ 1,052</u>	<u>\$ (252)</u>	<u>\$ (15,263)</u>	<u>\$ (9,611)</u>
Net assets:							
Cash and investments	\$ (600)	\$ 1,660	\$ 1,019	\$ 1,052	\$ (252)	\$ (15,263)	\$ (9,611)
Total net assets - cash and investment basis held in trust	<u>\$ (600)</u>	<u>\$ 1,660</u>	<u>\$ 1,019</u>	<u>\$ 1,052</u>	<u>\$ (252)</u>	<u>\$ (15,263)</u>	<u>\$ (9,611)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 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	\$ 972,500
Buildings	49,590,577
Machinery and equipment	<u>2,103,550</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 52,666,627</u></u>

SCOTT COUNTY SCHOOL DISTRICT I
 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:		
Scott County School Building Corporation	\$ 6,295,000	\$ 456,455
Loans payable	7,707,931	794,728
Bonds payable:		
General obligation bonds:		
Retirement/Severance Liability Funding Bonds of 2004	<u>1,700,000</u>	<u>160,453</u>
Total governmental activities debt	<u>\$ 15,702,931</u>	<u>\$ 1,411,636</u>

SCOTT COUNTY SCHOOL DISTRICT 1
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

Records presented for audit indicated the Transportation Operating Fund had expenditures in excess of budgeted appropriations in the amounts of \$15,102 and \$53,315 for the years 2007 and 2008, respectively.

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

A similar comment was included in prior Report B30029.

OVERDRAWN CASH BALANCES

The following funds had overdrawn cash balances during the audit period:

Fund	2007	2008
Government funds:		
Transportation Operating	\$ -	\$ 93,608
Transportation Bus Replacement	-	22,677
Retirement Debt	75,612	3,237
Textbook Rental	70,303	94,324
IUS Book Fund	-	1,451
Scott County 1988 School Building Corporation	-	11,013
Scott County Community Channel	1,604	-
Tophat Grant	12,770	15,166
Total governmental funds	\$ 160,289	\$ 241,476
Fiduciary funds:		
Beswick Scholarship	\$ 600	\$ 600
CAPE Grant	14,866	15,263
Kids First	209	-
We Care	252	252
Community Foundation Grant	791	-
Total fiduciary funds	\$ 16,718	\$ 16,115

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

A similar comment was included in prior Report B30029.

SCOTT COUNTY SCHOOL DISTRICT 1
AUDIT RESULTS AND COMMENTS
(Continued)

TEXTBOOK RENTAL CHARGES

The School Corporation, in some cases, is charging more for textbook rental than twenty-five percent of the textbook cost.

IC 20-26-12-2 states:

"(a) A governing body may purchase from a contracting publisher, at a price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or nonpublic school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the rental price of the textbooks.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been:

- (1) adopted for usage by students under IC 20-20-5;
- (2) extended for usage by students under IC 20-20-5-2; and
- (3) paid for through rental fees previously collected.

(c) This section does not limit other laws."

A similar comment was included in prior Report B25057 and B30029.

OPTICAL IMAGES OF CHECKS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks.

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 . . ."

SCOTT COUNTY SCHOOL DISTRICT 1
AUDIT RESULTS AND COMMENTS
(Continued)

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)."

A similar comment was included in prior Report B30029.

AVERAGE DAILY MEMBERSHIP (ADM)

The School Corporation did not provide the required certification signed by the individual school building principals. They did provide the certification signed by the Superintendent that did agree with the information provided by the State Department of Education.

Officials shall maintain records (enrollment cards, rosters, reporting forms, signed hard copies, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

PAYROLL DEDUCTIONS SCHOOL BOARD MEMBERS

Payments to School Board members were made without payroll deductions for taxes. The School Corporation issued Internal Revenue Service Form 1099 instead of issuing Form W-2 for the compensation paid to the School Board members.

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

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 SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

Compliance

We have audited the compliance of the Scott County School District 1 (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

May 26, 2009

SCOTT COUNTY SCHOOL DISTRICT 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553	SY 06-07	\$ 104,881	\$ -
		SY 07-08	-	120,780
	10.555	SY 06-07	390,644	-
		SY 07-08	-	336,918
	10.559	SY 06-07	24,547	-
		SY 07-08	-	23,554
Total for federal grantor agency			<u>520,072</u>	<u>481,252</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title 1 Grants to Local Educational Agencies				
	84.010	06-7230	150,880	-
		07-7230	292,365	100,574
		08-7230	-	439,857
Total for program			<u>443,245</u>	<u>540,431</u>
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	SY 04-05	3,473	-
		SY 05-06	10,855	139
		SY 06-07	-	9,066
		SY 07-08	-	6,992
Total for program			<u>14,328</u>	<u>16,197</u>
Twenty-First Century Community Learning Centers				
	84.287	S287C020014	<u>132,927</u>	<u>163,831</u>
State Grants for Innovative Programs				
	84.298	05-140	6,300	-
		06-7230	2,778	-
		07-7230	-	2,618
Total for program			<u>9,078</u>	<u>2,618</u>
Education Technology State Grants				
	84.318	FY 05-06	26,833	-
		FY 06-07	46,980	-
		FY 07-08	11,980	72,659
Total for program			<u>85,793</u>	<u>72,659</u>
English Language Acquisition Grants				
	84.365	FY 07-08	-	100
Improving Teacher Quality State Grants				
	84.367	05-145	90,053	23,522
		06-7230	-	109,278
Total for program			<u>90,053</u>	<u>132,800</u>
Total for federal grantor agency			<u>775,424</u>	<u>928,636</u>
Total federal awards expended			<u>\$ 1,295,496</u>	<u>\$ 1,409,888</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
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 Scott County School District 1 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	2006-07	2007-08
Child Nutrition Cluster	10.555	\$ 101,270	\$ 19,491

SCOTT COUNTY SCHOOL DISTRICT 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

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.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SCOTT COUNTY SCHOOL DISTRICT I

255 HIGHWAY 31 SOUTH, P.O. BOX 9
AUSTIN, IN 47102
812-794-8750 OR FAX 812-794-8765

Board of Trustees
LINDA SPICER
President

STEVE GRIFFEN
Vice-President

RICHARD PETERSEN
Secretary

DARLENE HALL
Member

KATHY MORRIS
Member

Administration
BERLEY GOODIN
Superintendent

DR. KENNETH KIDD
Asst. Supt. / Bus. Manager

SHERMAN SMITH
High School Principal

CHARLES W. CARTER
High School Vice-Principal

DAVID F. DEATON
Middle School Principal

ROBERT ANDERSON
Elementary Principal

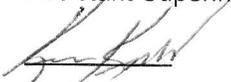
BEVERLY TURNER
Elementary Asst. Principal

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2006-1, Cash Management

Status of Finding: We have reviewed the finding and are watching our cash balances and continuing to make every effort to prevent cash management issues.

Dr. Kenneth Kidd
Assistant Superintendent




SCOTT COUNTY SCHOOL DISTRICT 1
EXIT CONFERENCE

The contents of this report were discussed on May 26, 2009, with Berley Goodin, Superintendent of Schools; Dr. Kenneth Kidd, Assistant Superintendent of Schools; and Kathie E. Bowling, Treasurer. The officials concurred with our audit findings.