

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

EXAMINATION REPORT
OF

RISING SUN - OHIO COUNTY
COMMUNITY SCHOOL CORPORATION
OHIO COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

07/21/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Information:	
Statement of Activities and Net Assets - Cash and Investments.....	4-5
Fund Financial Information:	
Governmental Funds:	
Statement of Receipts, Disbursements, and Cash and Investment Balances	
– Governmental Funds	6-7
Fiduciary Funds:	
Statement of Receipts, Disbursements, and Changes in Cash and Investments	
– Fiduciary Funds.....	8-9
Notes to Financial Information	10-19
Required Supplementary Information:	
Schedule of Funding Progress.....	20
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts,	
Disbursements, and Changes in Fund Balances – Cash and Investment Basis	
- Other Governmental Fund	21-28
Combining Schedule of Additions, Deductions, and Changes in Cash and	
Investments Balances – Private-Purpose Trust Funds	29-30
Schedule of Long-Term Debt	31
Examination Results and Comments:	
Overdrawn Cash Balances.....	32
Average Daily Membership (ADM) – Incorrect Reporting to the State.....	32
Textbook Reimbursement	32
Exit Conference.....	33

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelli Keith	07-01-06 to 06-30-09
Superintendent of Schools	Stephen Patz	07-01-06 to 06-30-09
President of the School Board	Dorinda Lampkin Jamie Bell Felix Massey III	01-01-06 to 12-31-06 01-01-07 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE RISING SUN - OHIO COUNTY
COMMUNITY SCHOOL CORPORATION, OHIO COUNTY, INDIANA

We have examined the financial information presented herein of the Rising Sun - Ohio County Community School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion on the financial information based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the financial information 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 Combining Schedules and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial information. The Combining Schedules have been subjected to the examination procedures applied in the examination of the financial information and, in our opinion, are fairly stated in all material respects in relation to the financial information taken as a whole. The Schedule of Long-Term Debt has not been subjected to the examination procedures applied to the financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

May 11, 2009

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,654,707	\$ -	\$ 54,202	\$ (4,600,505)
Support services	2,667,354	222,047	94,815	(2,350,492)
Community services	32,617	-	-	(32,617)
Nonprogrammed charges	312,850	-	-	(312,850)
Debt service	<u>3,129,278</u>	<u>-</u>	<u>-</u>	<u>(3,129,278)</u>
Total governmental activities	<u>\$ 10,796,806</u>	<u>\$ 222,047</u>	<u>\$ 149,017</u>	<u>(10,425,742)</u>
General receipts:				
Property taxes				2,024,885
Other local sources				1,850,342
State aid				3,614,117
Bonds and loans				5,543
Grants and contributions not restricted to specific programs				180,563
Sale of property, adjustments, and refunds				2,126
Investment earnings				<u>102,199</u>
Total general receipts				<u>7,779,775</u>
Change in net assets				(2,645,967)
Net assets - beginning				<u>4,386,957</u>
Net assets - ending				<u>\$ 1,740,990</u>
<u>Assets</u>				
Cash and investments				\$ 325,605
Restricted assets:				
Cash and investments				<u>1,415,385</u>
Total assets				<u>\$ 1,740,990</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,415,385
Unrestricted				<u>325,605</u>
Total net assets				<u>\$ 1,740,990</u>

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction	\$ 4,641,146	\$ -	\$ 166,939	\$ (4,474,207)
Support services	3,026,336	248,376	141,155	(2,636,805)
Community services	35,751	-	-	(35,751)
Nonprogrammed charges	321,157	-	-	(321,157)
Debt service	560,000	-	-	(560,000)
<u>Total governmental activities</u>	<u>\$ 8,584,390</u>	<u>\$ 248,376</u>	<u>\$ 308,094</u>	<u>(8,027,920)</u>
General receipts:				
Property taxes				2,228,010
Other local sources				1,709,369
State aid				3,184,884
Grants and contributions not restricted to specific programs				197,596
Sale of property, adjustments, and refunds				35,967
Investment earnings				53,452
<u>Total general receipts</u>				<u>7,409,278</u>
Change in net assets				(618,642)
Net assets - beginning				<u>1,740,990</u>
Net assets - ending				<u>\$ 1,122,348</u>
<u>Assets</u>				
Cash and investments				\$ (380,907)
Restricted assets:				
Cash and investments				<u>1,503,255</u>
<u>Total assets</u>				<u>\$ 1,122,348</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,503,255
Unrestricted				<u>(380,907)</u>
<u>Total net assets</u>				<u>\$ 1,122,348</u>

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 2,059,494	\$ 254,410	\$ 1,054,000	\$ 445,569	\$ 90,255	\$ 315,563	\$ 4,219,291
Intermediate sources	182	-	-	-	-	-	182
State sources	3,453,422	-	182,957	-	-	84,365	3,720,744
Federal sources	-	-	-	-	-	202,953	202,953
Bonds and loans	-	-	-	-	-	5,543	5,543
Sale of property, adjustments and refunds	-	-	-	-	-	2,126	2,126
Total receipts	5,513,098	254,410	1,236,957	445,569	90,255	610,550	8,150,839
Disbursements:							
Current:							
Instruction	4,323,744	-	-	-	-	330,963	4,654,707
Support services	1,344,656	331,591	-	599,606	120,692	270,809	2,667,354
Community services	31,820	-	-	-	-	797	32,617
Nonprogrammed charges	284,238	-	-	-	-	28,612	312,850
Debt services	-	-	3,129,278	-	-	-	3,129,278
Total disbursements	5,984,458	331,591	3,129,278	599,606	120,692	631,181	10,796,806
Deficiency of receipts over disbursements	(471,360)	(77,181)	(1,892,321)	(154,037)	(30,437)	(20,631)	(2,645,967)
Other financing sources (uses):							
Transfers in	594	-	-	-	-	4,934	5,528
Transfers out	(4,934)	-	-	-	-	(594)	(5,528)
Total other financing sources (uses)	(4,340)	-	-	-	-	4,340	-
Deficiency of receipts and other financing sources over disbursements and other financing uses	(475,700)	(77,181)	(1,892,321)	(154,037)	(30,437)	(16,291)	(2,645,967)
Cash and investments - beginning	698,635	93,993	3,307,706	102,139	75,907	108,577	4,386,957
Cash and investments - ending	<u>\$ 222,935</u>	<u>\$ 16,812</u>	<u>\$ 1,415,385</u>	<u>\$ (51,898)</u>	<u>\$ 45,470</u>	<u>\$ 92,286</u>	<u>\$ 1,740,990</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 222,935	\$ 16,812	\$ -	\$ (51,898)	\$ 45,470	\$ 92,286	\$ 325,605
Restricted assets:							
Cash and investments	-	-	1,415,385	-	-	-	1,415,385
Total cash and investment assets - ending	<u>\$ 222,935</u>	<u>\$ 16,812</u>	<u>\$ 1,415,385</u>	<u>\$ (51,898)</u>	<u>\$ 45,470</u>	<u>\$ 92,286</u>	<u>\$ 1,740,990</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,415,385	\$ -	\$ -	\$ -	\$ 1,415,385
Unrestricted	<u>222,935</u>	<u>16,812</u>	<u>-</u>	<u>(51,898)</u>	<u>45,470</u>	<u>92,286</u>	<u>325,605</u>
Total cash and investment fund balance - ending	<u>\$ 222,935</u>	<u>\$ 16,812</u>	<u>\$ 1,415,385</u>	<u>\$ (51,898)</u>	<u>\$ 45,470</u>	<u>\$ 92,286</u>	<u>\$ 1,740,990</u>

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 2,311,516	\$ 291,732	\$ 654,000	\$ 545,772	\$ 119,701	\$ 367,940	\$ 4,290,661
Intermediate sources	548	-	-	-	-	-	548
State sources	3,299,334	-	-	-	-	90,903	3,390,237
Federal sources	-	-	-	-	-	248,335	248,335
Sale of property, adjustments and refunds	26,089	-	-	-	-	9,878	35,967
Total receipts	5,637,487	291,732	654,000	545,772	119,701	717,056	7,965,748
Disbursements:							
Current:							
Instruction	4,254,444	-	-	-	-	386,702	4,641,146
Support services	1,465,560	362,161	-	643,198	245,288	310,129	3,026,336
Community services	35,543	-	-	-	-	208	35,751
Nonprogrammed charges	297,972	-	-	-	-	23,185	321,157
Debt services	-	-	560,000	-	-	-	560,000
Total disbursements	6,053,519	362,161	560,000	643,198	245,288	720,224	8,584,390
Excess (deficiency) of receipts over disbursements	(416,032)	(70,429)	94,000	(97,426)	(125,587)	(3,168)	(618,642)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	6,617	6,617
Transfers out	-	-	(6,130)	-	-	(487)	(6,617)
Total other financing sources (uses)	-	-	(6,130)	-	-	6,130	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(416,032)	(70,429)	87,870	(97,426)	(125,587)	2,962	(618,642)
Cash and investments - beginning	222,935	16,812	1,415,385	(51,898)	45,470	92,286	1,740,990
Cash and investments - ending	\$ (193,097)	\$ (53,617)	\$ 1,503,255	\$ (149,324)	\$ (80,117)	\$ 95,248	\$ 1,122,348
Cash and Investment Assets - Ending							
Cash and investments	\$ (193,097)	\$ (53,617)	\$ -	\$ (149,324)	\$ (80,117)	\$ 95,248	\$ (380,907)
Restricted assets:							
Cash and investments	-	-	1,503,255	-	-	-	1,503,255
Total cash and investment assets - ending	\$ (193,097)	\$ (53,617)	\$ 1,503,255	\$ (149,324)	\$ (80,117)	\$ 95,248	\$ 1,122,348
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,503,255	\$ -	\$ -	\$ -	\$ 1,503,255
Unrestricted	(193,097)	(53,617)	-	(149,324)	(80,117)	95,248	(380,907)
Total cash and investment fund balance - ending	\$ (193,097)	\$ (53,617)	\$ 1,503,255	\$ (149,324)	\$ (80,117)	\$ 95,248	\$ 1,122,348

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2007

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 29,316	
Investment earnings:		
Interest	16,958	
Total additions	46,274	
Deductions:		
Administrative and general	37,507	
Excess of total additions over total deductions	8,767	
Cash and investment fund balance - beginning	350,304	
Cash and investment fund balance - ending	\$ 359,071	\$ 8,298
Net assets:		
Cash and investments	\$ 359,071	
Total net assets - cash and investment basis held in trust	\$ 359,071	

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 32,744	
Investment earnings:		
Interest	17,415	
Total additions	50,159	
Deductions:		
Administrative and general	46,432	
Excess of total additions over total deductions	3,727	
Cash and investment fund balance - beginning	359,071	
Cash and investment fund balance - ending	\$ 362,798	\$ 8,631
Net assets:		
Cash and investments	\$ 362,798	
Total net assets - cash and investment basis held in trust	\$ 362,798	

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

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: Rising Sun – Ohio County Community School Corporation

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

Joint Venture

The School Corporation is a participant with nine other school corporations in a joint venture to operate the Southeastern Career Center (Career Center) which was created to provide vocational educational services. The School Corporation remitted \$89,131 and \$85,962 for the fiscal years ended June 30, 2007 and June 30, 2008, respectively. Payments were based on the number of School Corporation students and the classes they attended at the Career Center. Complete financial statements for the Career Center may be obtained from the Career Center at P.O. Box 156, Versailles, Indiana 47042.

The School Corporation is a participant with seven other school corporations in a joint venture to operate the Ripley-Ohio-Dearborn Special Education Cooperative (Co-op) which was created to provide educational services to special needs students. The School Corporation paid \$253,830 and \$257,904 to the Co-op in fiscal years ending June 30, 2007 and June 30, 2008, respectively. Payments are the prorated share of Co-op operating costs allocated to each member school corporation based on the each member school corporation's total student population. Complete financial statements for the Co-op may be obtained from the Sunman-Dearborn Community School Corporation at P.O. Box 238, Sunman, Indiana 47041.

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.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The 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.

The School Corporation reports the following major proprietary funds:

Additionally, the School Corporation reports the following fund types:

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

Agency funds account for assets held by the School Corporation from employee payroll withholdings and payable to third parties for taxes, insurance, investments, contributions, and other purposes.

C. Measurement Focus and Basis of Accounting

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

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.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

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.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL INFORMATION
 (Continued)

business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

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

Fund	2007	2008
General	\$ -	\$ 193,097
Transportation	-	53,617
Capital Projects	51,898	149,324
School Bus Replacement	-	80,117
Title I 2007-2008	-	11
Title IV Part A 2006-2007	-	594

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the late distribution of local property taxes to the School Corporation and the underestimate of current requirements. These deficits are to be repaid from future receipts.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

Investment Policies

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

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

B. Interfund Transfers

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

Transfer From	Transfer To	2007	2008
General Fund	Other governmental funds	\$ 4,934	\$ -
Debt Service	Other governmental funds	-	6,130
Other governmental funds	General Fund	594	-
Other governmental funds	Other governmental funds	-	487
Totals		<u>\$ 5,528</u>	<u>\$ 6,617</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; natural disasters; and medical benefits to employees.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; 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.

Medical Benefits to Employees

During 1999, the School Corporation joined with other governmental entities to form the Southeastern Indiana School Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for eight member governmental entities. This risk pool was formed in 1999. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for coverage of medical benefits to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$100,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$100,000 limit.

Job Related Illnesses or Injuries to Employees

During 2004, the School Corporation joined together with other governmental entities to form the Indiana Public Employers Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

administration of job related illnesses or injuries to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporation

The School Corporation has entered into a capital lease with Rising Sun 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 year ended June 30, 2008, totaled \$560,000.

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.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 76,354
Interest on net pension obligation	(1,543)
Adjustment to annual required contribution	1,759
Annual pension cost	76,570
Contributions made	76,060
Increase in net pension obligation	510
Net pension obligation, beginning of year	(21,286)
Net pension obligation, end of year	\$ (20,776)

	PERF
Contribution rates:	
School Corporation	6.50%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	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	\$ 70,769	85%	\$ (27,207)
	06-30-07	71,872	92%	(21,286)
	06-30-08	76,570	99%	(20,776)

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(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 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007 and 2008, were \$193,627 and \$210,312, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,140,350	\$ 1,187,764	\$ (47,414)	96%	\$ 1,116,648	(4%)
07-01-07	1,218,431	1,253,540	(35,109)	97%	1,180,476	(3%)
07-01-08	1,211,782	1,233,720	(21,938)	98%	1,076,574	(2%)

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

	Special Education Pre-School	School Lunch Fund	Textbook Rental Fund	Gifted/Talented 2006-2007	Gifted/Talented 2001-2002	Gifted/Talented 2005-2006	Gifted/Talented 1998-1999
Receipts:							
Local sources	\$ 2,961	\$ 222,048	\$ 70,524	\$ -	\$ -	\$ -	\$ 30
State sources	16,533	5,282	10,960	11,881	-	-	-
Federal sources	-	78,573	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	2,126	-	-	-	-
Total receipts	19,494	305,903	83,610	11,881	-	-	30
Disbursements:							
Current:							
Instruction	-	157,740	-	4,766	-	9,310	-
Support services	-	162,344	88,986	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	28,612	-	-	-	-	-	-
Total disbursements	28,612	320,084	88,986	4,766	-	9,310	-
Excess (deficiency) of receipts over disbursements	(9,118)	(14,181)	(5,376)	7,115	-	(9,310)	30
Other financing sources (uses):							
Transfers in	-	-	3,790	-	87	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	3,790	-	87	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,118)	(14,181)	(1,586)	7,115	87	(9,310)	30
Cash and investments - beginning	11,324	46,548	21,685	-	(87)	9,310	-
Cash and investments - ending	<u>\$ 2,206</u>	<u>\$ 32,367</u>	<u>\$ 20,099</u>	<u>\$ 7,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 2,206</u>	<u>\$ 32,367</u>	<u>\$ 20,099</u>	<u>\$ 7,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
Total cash and investment assets - ending	<u>\$ 2,206</u>	<u>\$ 32,367</u>	<u>\$ 20,099</u>	<u>\$ 7,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ 2,206</u>	<u>\$ 32,367</u>	<u>\$ 20,099</u>	<u>\$ 7,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
Total cash and investment fund balance - ending	<u>\$ 2,206</u>	<u>\$ 32,367</u>	<u>\$ 20,099</u>	<u>\$ 7,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>

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

	Non-English Speaking Program	Performance Base Award 1998	Rising Sun Regional Foundation Grant	Professional Development Capital Building Grant	School Improvement Grant 06-07	Rising Sun High School Teacher's Aide Grant Fund	School Improvement Grant 05-06
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -
State sources	59	-	39,650	-	-	-	-
Federal sources	-	-	-	-	5,830	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	59	-	39,650	-	5,830	20,000	-
Disbursements:							
Current:							
Instruction	59	-	29,001	-	5,761	15,079	1,092
Support services	-	-	1,081	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	59	-	30,082	-	5,761	15,079	1,092
Excess (deficiency) of receipts over disbursements	-	-	9,568	-	69	4,921	(1,092)
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	-	-	9,568	-	69	4,921	(1,092)
Cash and investments - beginning	-	44	1,565	500	-	-	1,092
Cash and investments - ending	\$ -	\$ 44	\$ 11,133	\$ 500	\$ 69	\$ 4,921	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 44	\$ 11,133	\$ 500	\$ 69	\$ 4,921	\$ -
Total cash and investment assets - ending	\$ -	\$ 44	\$ 11,133	\$ 500	\$ 69	\$ 4,921	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 44	\$ 11,133	\$ 500	\$ 69	\$ 4,921	\$ -
Total cash and investment fund balance - ending	\$ -	\$ 44	\$ 11,133	\$ 500	\$ 69	\$ 4,921	\$ -

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

	Title I 2006-2007	Title I 2003-2004	Title I 2004-2005	Title V Part A 2004-2005	Title V Part A 2005-2006	Title V Part A 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	82,760	-	-	-	-	1,463
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	82,760	-	-	-	-	1,463
Disbursements:						
Current:						
Instruction	73,563	87	-	-	3,053	1,463
Support services	8,400	-	-	-	-	-
Community services	797	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	82,760	87	-	-	3,053	1,463
Excess (deficiency) of receipts over disbursements	-	(87)	-	-	(3,053)	-
Other financing sources (uses):						
Transfers in	-	-	179	878	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	179	878	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(87)	179	878	(3,053)	-
Cash and investments - beginning	-	87	(179)	(878)	3,053	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Youth Employment Summer	Title IV Part A 2005-2006	Title IV Part A 2000-2001	Title IV Part A 2006-2007	Title IV Part A 2001-2002	Title IV Part A 2004-2005
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	1	-	-	2,827	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	1	-	-	2,827	-	-
Disbursements:						
Current:						
Instruction	-	2,501	113	146	25	-
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	2,501	113	146	25	-
Excess (deficiency) of receipts over disbursements	1	(2,501)	(113)	2,681	(25)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(594)
Total other financing sources (uses)	-	-	-	-	-	(594)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	(2,501)	(113)	2,681	(25)	(594)
Cash and investments - beginning	(1)	2,501	113	-	25	594
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,681	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 2,681	\$ -	\$ -
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 2,681	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ -	\$ 2,681	\$ -	\$ -
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 2,681	\$ -	\$ -

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

	Medicaid Reimbursement	School To Work	Title II Part D	High Tech Grant	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,563
State sources	-	-	-	-	-	84,365
Federal sources	-	-	31,076	423	-	202,953
Bonds and loans	-	-	-	-	5,543	5,543
Sale of property, adjustments and refunds	-	-	-	-	-	2,126
Total receipts	-	-	31,076	423	5,543	610,550
Disbursements:						
Current:						
Instruction	1	571	26,632	-	-	330,963
Support services	-	-	-	4,455	5,543	270,809
Community services	-	-	-	-	-	797
Nonprogrammed charges	-	-	-	-	-	28,612
Total disbursements	1	571	26,632	4,455	5,543	631,181
Excess (deficiency) of receipts over disbursements	(1)	(571)	4,444	(4,032)	-	(20,631)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	4,934
Transfers out	-	-	-	-	-	(594)
Total other financing sources (uses)	-	-	-	-	-	4,340
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	(571)	4,444	(4,032)	-	(16,291)
Cash and investments - beginning	4,854	571	1,824	4,032	-	108,577
Cash and investments - ending	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,286</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,286</u>
Total cash and investment assets - ending	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,286</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,286</u>
Total cash and investment fund balance - ending	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 6,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,286</u>

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

	Special Education Pre-School	School Lunch Fund	Textbook Rental Fund	Gifted/Talented 2006-2007	Gifted/Talented 1998-1999	Non-English Speaking Program
Receipts:						
Local sources	\$ 5,182	\$ 248,375	\$ 62,383	\$ -	\$ -	\$ -
State sources	15,797	5,449	17,656	-	-	487
Federal sources	-	118,050	-	-	-	-
Sale of property, adjustments and refunds	-	-	5,782	-	-	-
Total receipts	<u>20,979</u>	<u>371,874</u>	<u>85,821</u>	<u>-</u>	<u>-</u>	<u>487</u>
Disbursements:						
Current:						
Instruction	-	181,430	-	7,115	30	-
Support services	-	178,880	104,858	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	23,185	-	-	-	-	-
Total disbursements	<u>23,185</u>	<u>360,310</u>	<u>104,858</u>	<u>7,115</u>	<u>30</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,206)</u>	<u>11,564</u>	<u>(19,037)</u>	<u>(7,115)</u>	<u>(30)</u>	<u>487</u>
Other financing sources (uses):						
Transfers in	-	-	6,130	-	-	-
Transfers out	-	-	-	-	-	(487)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,130</u>	<u>-</u>	<u>-</u>	<u>(487)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,206)</u>	<u>11,564</u>	<u>(12,907)</u>	<u>(7,115)</u>	<u>(30)</u>	<u>-</u>
Cash and investments - beginning	<u>2,206</u>	<u>32,367</u>	<u>20,099</u>	<u>7,115</u>	<u>30</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 43,931</u>	<u>\$ 7,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 43,931	\$ 7,192	\$ -	\$ -	\$ -
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 43,931</u>	<u>\$ 7,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 43,931	\$ 7,192	\$ -	\$ -	\$ -
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 43,931</u>	<u>\$ 7,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Performance Base Award 1998	Rising Sun Regional Foundation Grant	Professional Development Capital Building Grant	School Improvement Grant 06-07	Rising Sun High School Teacher's Aide Grant Fund	Title I 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 52,000	\$ -
State sources	-	51,514	-	-	-	-
Federal sources	-	-	-	-	-	97,404
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	51,514	-	-	52,000	97,404
Disbursements:						
Current:						
Instruction	216	40,458	-	69	34,537	86,840
Support services	-	10,548	-	-	-	10,367
Community services	-	-	-	-	-	208
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	216	51,006	-	69	34,537	97,415
Excess (deficiency) of receipts over disbursements	(216)	508	-	(69)	17,463	(11)
Other financing sources (uses):						
Transfers in	487	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	487	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	271	508	-	(69)	17,463	(11)
Cash and investments - beginning	44	11,133	500	69	4,921	-
Cash and investments - ending	<u>\$ 315</u>	<u>\$ 11,641</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 22,384</u>	<u>\$ (11)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 315	\$ 11,641	\$ 500	\$ -	\$ 22,384	\$ (11)
Total cash and investment assets - ending	\$ 315	\$ 11,641	\$ 500	\$ -	\$ 22,384	\$ (11)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 315	\$ 11,641	\$ 500	\$ -	\$ 22,384	\$ (11)
Total cash and investment fund balance - ending	\$ 315	\$ 11,641	\$ 500	\$ -	\$ 22,384	\$ (11)

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title V Part A 2004-2005	Title IV Part A 2006-2007	Medicaid Reimbursement	Title I No Child Left Behind Improvement Grant	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,940
State sources	-	-	-	-	-	90,903
Federal sources	1,396	-	-	31,485	-	248,335
Sale of property, adjustments and refunds	-	-	-	-	4,096	9,878
Total receipts	1,396	-	-	31,485	4,096	717,056
Disbursements:						
Current:						
Instruction	-	3,045	-	32,962	-	386,702
Support services	1,150	230	-	-	4,096	310,129
Community services	-	-	-	-	-	208
Nonprogrammed charges	-	-	-	-	-	23,185
Total disbursements	1,150	3,275	-	32,962	4,096	720,224
Excess (deficiency) of receipts over disbursements	246	(3,275)	-	(1,477)	-	(3,168)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	6,617
Transfers out	-	-	-	-	-	(487)
Total other financing sources (uses)	-	-	-	-	-	6,130
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	246	(3,275)	-	(1,477)	-	2,962
Cash and investments - beginning	-	2,681	4,853	6,268	-	92,286
Cash and investments - ending	<u>\$ 246</u>	<u>\$ (594)</u>	<u>\$ 4,853</u>	<u>\$ 4,791</u>	<u>\$ -</u>	<u>\$ 95,248</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 246	\$ (594)	\$ 4,853	\$ 4,791	\$ -	\$ 95,248
Total cash and investment assets - ending	<u>\$ 246</u>	<u>\$ (594)</u>	<u>\$ 4,853</u>	<u>\$ 4,791</u>	<u>\$ -</u>	<u>\$ 95,248</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 246	\$ (594)	\$ 4,853	\$ 4,791	\$ -	\$ 95,248
Total cash and investment fund balance - ending	<u>\$ 246</u>	<u>\$ (594)</u>	<u>\$ 4,853</u>	<u>\$ 4,791</u>	<u>\$ -</u>	<u>\$ 95,248</u>

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Recreational Activities Fund	Cooper Scholarship Fund	Gray Scholarship Fund	Ohio County Community Foundation Fund	Safe Haven Grant 2007	TY Powell Fund	Northrup Grumman Grant	Totals
Additions:								
Contributions:								
Other	\$ 20,205	\$ -	\$ -	\$ 5,561	\$ 3,300	\$ -	\$ 250	\$ 29,316
Investment earnings:								
Interest	-	1,918	15,040	-	-	-	-	16,958
Total additions	20,205	1,918	15,040	5,561	3,300	-	250	46,274
Deductions:								
Administrative and general	20,339	900	4,000	8,258	3,300	460	250	37,507
Excess (deficiency) of total additions over total deductions	(134)	1,018	11,040	(2,697)	-	(460)	-	8,767
Cash and investment fund balance - beginning	2,143	40,844	301,049	5,528	-	740	-	350,304
Cash and investments - June 30	<u>\$ 2,009</u>	<u>\$ 41,862</u>	<u>\$ 312,089</u>	<u>\$ 2,831</u>	<u>\$ -</u>	<u>\$ 280</u>	<u>\$ -</u>	<u>\$ 359,071</u>
Net assets:								
Cash and investments	\$ 2,009	\$ 41,862	\$ 312,089	\$ 2,831	\$ -	\$ 280	\$ -	\$ 359,071
Total net assets - cash and investment basis held in trust	<u>\$ 2,009</u>	<u>\$ 41,862</u>	<u>\$ 312,089</u>	<u>\$ 2,831</u>	<u>\$ -</u>	<u>\$ 280</u>	<u>\$ -</u>	<u>\$ 359,071</u>

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Recreational Activities Fund	Rising Sun Convention & Tourism Grant	Cooper Scholarship Fund	United Community Bank Scholarship	Gray Scholarship Fund	Ohio County Community Foundation Fund	TY Powell Fund	Totals
Additions:								
Contributions:								
Other	\$ 17,835	\$ 484	\$ -	\$ 500	\$ -	\$ 13,925	\$ -	\$ 32,744
Investment earnings:								
Interest	-	-	2,092	-	15,323	-	-	17,415
Total additions	17,835	484	2,092	500	15,323	13,925	-	50,159
Deductions:								
Administrative and general	12,272	484	1,500	500	15,000	16,396	280	46,432
Excess (deficiency) of total additions over total deductions	5,563	-	592	-	323	(2,471)	(280)	3,727
Cash and investment fund balance - beginning	2,009	-	41,862	-	312,089	2,831	280	359,071
Cash and investments - June 30	<u>\$ 7,572</u>	<u>\$ -</u>	<u>\$ 42,454</u>	<u>\$ -</u>	<u>\$ 312,412</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 362,798</u>
Net assets:								
Cash and investments	\$ 7,572	\$ -	\$ 42,454	\$ -	\$ 312,412	\$ 360	\$ -	\$ 362,798
Total net assets - cash and investment basis held in trust	<u>\$ 7,572</u>	<u>\$ -</u>	<u>\$ 42,454</u>	<u>\$ -</u>	<u>\$ 312,412</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 362,798</u>

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
School Building Improvements	\$ 8,525,000	\$ 654,000

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn in the amount indicated as of June 30, 2007 and 2008:

Fund	2007	2008
General	\$ -	\$ 193,097
Transportation	-	53,617
Capital Projects	51,898	149,324
School Bus Replacement	-	80,117
Title I 2007-2008	-	11
Title IV, Part A 2006-2007	-	594

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

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for examination indicates enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2008.

The enrollment count date for 2008 was September 14, 2007. The difference between the count reported on the ADM and the verified figures are shown below:

School Year	Grade	Count as Reported on Form 30A	Actual Enrollment Figures	Difference
2008	1 through 12	890	895	5

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

TEXTBOOK REIMBURSEMENT

The Textbook Reimbursement Summary Claim Forms submitted to the State for school year 2007-2008, included incorrect cost of textbooks for grades 1, 2, 7, and 8. As a result of the incorrect costs used the School Corporation under claimed \$637.16.

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 11, 2009, with Stephen Patz, Superintendent of Schools; Kelli Keith, Treasurer; and Felix Massey III, President of the School Board. The officials concurred with our findings.