

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

AUDIT REPORT

OF

BENTON COMMUNITY SCHOOL CORPORATION

BENTON COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED

02/03/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tracy Albertson	07-01-07 to 06-30-10
Superintendent of Schools	Ross L. Sloat	07-01-07 to 06-30-10
President of the School Board	Diane E. Hawkins James E. Deckard	07-01-07 to 06-30-09 07-01-09 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE BENTON COMMUNITY SCHOOL
CORPORATION, BENTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Benton Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, 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 December 7, 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, 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 Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

December 7, 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 BENTON COMMUNITY SCHOOL
CORPORATION, BENTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Benton Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 7, 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, the School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 7, 2009

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,732,965	\$ -	\$ 191,188	\$ (10,541,777)
Support services	7,184,176	596,737	436,427	(6,151,012)
Noninstructional services	751,527	-	-	(751,527)
Facilities acquisition and construction	929,384	-	-	(929,384)
Debt service	5,494,925	-	-	(5,494,925)
Nonprogrammed charges	217,546	-	-	(217,546)
Total governmental activities	<u>\$ 25,310,523</u>	<u>\$ 596,737</u>	<u>\$ 627,615</u>	<u>(24,086,171)</u>
General receipts:				
Property taxes				9,722,089
Other local sources				2,233,549
State aid				6,877,570
Bonds and loans				4,060,000
Grants and contributions not restricted to specific programs				561,939
Investment earnings				152,785
Other				17,697
Total general receipts				<u>23,625,629</u>
Change in net assets				(460,542)
Net assets - beginning				<u>2,834,943</u>
Net assets - ending				<u>\$ 2,374,401</u>
Assets				
Cash and investments				\$ 3,460,478
Restricted assets:				
Cash and investments				<u>(1,086,077)</u>
Total assets				<u>\$ 2,374,401</u>
Net Assets				
Restricted for:				
Debt service				\$ (1,086,077)
Unrestricted				<u>3,460,478</u>
Total net assets				<u>\$ 2,374,401</u>

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

BENTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<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	\$ 9,440,846	\$ 1,043,694	\$ 238,718	\$ (8,158,434)
Support services	7,094,937	657,720	446,568	(5,990,649)
Noninstructional services	814,668	-	-	(814,668)
Facilities acquisition and construction	1,369,785	-	-	(1,369,785)
Debt service	11,912,344	-	-	(11,912,344)
Nonprogrammed charges	199,565	-	-	(199,565)
Total governmental activities	<u>\$ 30,832,145</u>	<u>\$ 1,701,414</u>	<u>\$ 685,286</u>	<u>(28,445,445)</u>
General receipts:				
Property taxes				11,714,784
Other local sources				1,928,850
State aid				8,126,731
Bonds and loans				7,984,000
Grants and contributions not restricted to specific programs				2,001,082
Investment earnings				71,780
Other				16,422
Total general receipts				<u>31,843,649</u>
Change in net assets				3,398,204
Net assets - beginning				<u>2,374,401</u>
Net assets - ending				<u>\$ 5,772,605</u>
<u>Assets</u>				
Cash and investments				\$ 7,036,218
Restricted assets:				
Cash and investments				<u>(1,263,613)</u>
Total assets				<u>\$ 5,772,605</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (1,263,613)
Unrestricted				<u>7,036,218</u>
Total net assets				<u>\$ 5,772,605</u>

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

BENTON 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	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 5,555,403	\$ -	\$ 2,108,408	\$ 2,393,882	\$ 2,701,712	\$ 12,759,405
Intermediate sources	3,611	-	-	-	1,087	4,698
State sources	7,035,009	-	-	-	182,412	7,217,421
Federal sources	-	-	-	-	790,760	790,760
Temporary loans	2,830,000	-	-	698,000	532,000	4,060,000
Other	-	-	-	-	17,697	17,697
Total receipts	15,424,023	-	2,108,408	3,091,882	4,225,668	24,849,981
Disbursements:						
Current:						
Instruction	9,736,764	623,060	-	-	373,141	10,732,965
Support services	3,775,415	70,000	-	957,041	2,381,720	7,184,176
Noninstructional services	-	-	-	-	751,527	751,527
Facilities acquisition and construction	-	-	-	769,015	160,369	929,384
Debt services	2,026,000	-	2,353,424	86,000	1,029,501	5,494,925
Nonprogrammed charges	120,432	-	-	-	97,114	217,546
Total disbursements	15,658,611	693,060	2,353,424	1,812,056	4,793,372	25,310,523
Excess (deficiency) of receipts over disbursements	(234,588)	(693,060)	(245,016)	1,279,826	(567,704)	(460,542)
Other financing sources (uses):						
Transfers in	-	3,050,000	-	-	88,178	3,138,178
Transfers out	(389)	(1,940)	(1,124,761)	(1,301,137)	(709,951)	(3,138,178)
Total other financing sources (uses)	(389)	3,048,060	(1,124,761)	(1,301,137)	(621,773)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(234,977)	2,355,000	(1,369,777)	(21,311)	(1,189,477)	(460,542)
Cash and investments - beginning	277,242	990,804	273,455	(413,540)	1,706,982	2,834,943
Cash and investments - ending	\$ 42,265	\$ 3,345,804	\$ (1,096,322)	\$ (434,851)	\$ 517,505	\$ 2,374,401
Cash and Investment Assets - Ending						
Cash and investments	\$ 42,265	\$ 3,345,804	\$ -	\$ (434,851)	\$ 507,260	\$ 3,460,478
Restricted assets:						
Cash and investments	-	-	(1,096,322)	-	10,245	(1,086,077)
Total cash and investment assets - ending	\$ 42,265	\$ 3,345,804	\$ (1,096,322)	\$ (434,851)	\$ 517,505	\$ 2,374,401
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (1,096,322)	\$ -	\$ 10,245	\$ (1,086,077)
Unrestricted	42,265	3,345,804	-	(434,851)	507,260	3,460,478
Total cash and investment fund balance - ending	\$ 42,265	\$ 3,345,804	\$ (1,096,322)	\$ (434,851)	\$ 517,505	\$ 2,374,401

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

BENTON 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, 2009

	General	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 6,306,132	\$ -	\$ 2,412,254	\$ 2,271,815	\$ 4,961,589	\$ 15,951,790
Intermediate sources	1,935	-	-	-	1,125	3,060
State sources	8,328,701	-	-	-	181,682	8,510,383
Federal sources	-	-	-	-	1,764,694	1,764,694
Temporary loans	2,596,000	-	2,208,000	1,869,000	1,311,000	7,984,000
Other	-	-	-	-	16,422	16,422
Total receipts	17,232,768	-	4,620,254	4,140,815	8,236,512	34,230,349
Disbursements:						
Current:						
Instruction	7,143,077	1,000,000	-	-	1,297,769	9,440,846
Support services	4,358,561	-	-	679,901	2,056,475	7,094,937
Noninstructional services	-	-	-	-	814,668	814,668
Facilities acquisition and construction	-	-	-	623,674	746,111	1,369,785
Debt services	4,905,000	69,671	3,579,500	1,558,000	1,800,173	11,912,344
Nonprogrammed charges	116,865	-	-	-	82,700	199,565
Total disbursements	16,523,503	1,069,671	3,579,500	2,861,575	6,797,896	30,832,145
Excess (deficiency) of receipts over disbursements	709,265	(1,069,671)	1,040,754	1,279,240	1,438,616	3,398,204
Other financing sources (uses):						
Transfers in	11,350	1,800,000	-	-	34,504	1,845,854
Transfers out	(4,649)	-	(1,100,000)	(200,000)	(541,205)	(1,845,854)
Total other financing sources (uses)	6,701	1,800,000	(1,100,000)	(200,000)	(506,701)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	715,966	730,329	(59,246)	1,079,240	931,915	3,398,204
Cash and investments - beginning	42,265	3,345,804	(1,096,322)	(434,851)	517,505	2,374,401
Cash and investments - ending	\$ 758,231	\$ 4,076,133	\$ (1,155,568)	\$ 644,389	\$ 1,449,420	\$ 5,772,605
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 758,231	\$ 4,076,133	\$ -	\$ 644,389	\$ 1,557,465	\$ 7,036,218
Restricted assets:						
Cash and investments	-	-	(1,155,568)	-	(108,045)	(1,263,613)
Total cash and investment assets - ending	\$ 758,231	\$ 4,076,133	\$ (1,155,568)	\$ 644,389	\$ 1,449,420	\$ 5,772,605
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ (1,155,568)	\$ -	\$ (108,045)	\$ (1,263,613)
Unrestricted	758,231	4,076,133	-	644,389	1,557,465	7,036,218
Total cash and investment fund balance - ending	\$ 758,231	\$ 4,076,133	\$ (1,155,568)	\$ 644,389	\$ 1,449,420	\$ 5,772,605

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

BENTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Pension Trust Funds	Agency Funds
Additions:		
Investment earnings:		
Interest	\$ 36,408	
Deductions:		
Benefits	227,715	
Excess (deficiency) of total additions over total deductions	(191,307)	
Cash and investment fund balance - beginning	958,979	
Cash and investment fund balance - ending	\$ 767,672	\$ 197,358
Net assets:		
Cash and investments	\$ 767,672	
Total net assets - cash and investment basis held in trust	\$ 767,672	

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

BENTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 11,913	
Investment earnings:		
Interest	<u>8,693</u>	
Total additions	<u>20,606</u>	
Deductions:		
Benefits	<u>159,215</u>	
Excess (deficiency) of total additions over total deductions	(138,609)	
Cash and investment fund balance - beginning	<u>767,672</u>	
Cash and investment fund balance - ending	<u>\$ 629,063</u>	<u>\$ 186,407</u>
Net assets:		
Cash and investments	<u>\$ 629,063</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 629,063</u>	

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Joint Ventures

The School Corporation is a participant with 8 other school corporations in a joint venture to operate the Cooperative School Services Program (Co-op) which was created to provide instruction to handicapped children. The Co-op governing board consists of a member selected by each of the participating school corporations. The board has the full authority to manage the Co-op, including responsibility for financial matters. The board determines the rate of contributions to be required from each participant based on the number of students enrolled in the program. Complete financial statements for the Co-op can be obtained from Cooperative School Services, Rensselaer, Indiana.

The School Corporation is a participant with 17 other school corporations in a joint venture to operate the Wabash Valley/ West Central Indiana Insurance Trust (Trust) which was created to provide a common and unified program of group health insurance. The Trustees of the plan shall determine the rate of contributions to be required from each participant covered by the plan. Complete financial statements for the Trust can be obtained from Logansport Community School Corporation, Logansport, Indiana.

The School Corporation is a participant with 7 other school corporations in a joint venture to operate the Wildcat Creek Area Vocational Cooperative (Cooperative) which was created to provide vocational and technical education. The Cooperative Board determines the rate of contributions to be required from each participant based on the number of students enrolled in the programs. Complete financial statements for the Cooperative can be obtained from the Tippecanoe School Corporation, Lafayette, Indiana.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints board members to the Otterbein Public Library, Earl Park Public Library, Oxford Public Library, Benton County Public Library, and the Boswell-Grant Township Public Library.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 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.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement severance bond and retirement severance debt, which accumulate resources for pension benefit payments.

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. Due to problems with reassessment, 2007 property taxes were due July 25 and November 12, and 2008 property taxes were payable in one installment due November 10.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. 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.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Disbursements in Excess of Appropriations

For the years ended December 31, 2007 and 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2007	2008
General	\$ (63,755)	\$ -

These disbursements were funded by greater than anticipated receipts.

C. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	06-30-08	06-30-09
Debt Service	\$ (1,096,322)	\$ (1,155,568)
Capital Projects	(434,851)	-
Transportation Operating	(175,622)	(192,310)
Special Education Preschool	(21,241)	-
After School Program	(19,724)	-
School Bus Replacement	(60,387)	-
Gifts and Donations	(2,632)	(12,161)
Pension Bond Debt Service	-	(108,045)

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$6,819,102. None of this amount was exposed to custodial credit risk.

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.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2007-2008	2008-2009
General Fund	Other governmental funds	\$ 389	\$ 4,649
Debt Service	Rainy Day	1,100,000	1,100,000
	Other governmental funds	24,761	-
Capital Projects	Rainy Day	1,300,000	200,000
	Other governmental funds	1,137	-
Rainy Day	Other governmental funds	1,940	-
Other governmental funds	General Fund	-	11,350
	Rainy Day	650,000	500,000
	Other governmental funds	59,951	29,855
Totals		<u>\$ 3,138,178</u>	<u>\$ 1,845,854</u>

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees and Dependents

During 1992, the School Corporation joined with other governmental entities to form the Wabash Valley/West Central Indiana Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 18 member governmental entities. This risk pool was formed in 1992. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits and life insurance to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event and \$5,000,000 lifetime. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The School Corporation has entered into capital leases with the Benton School Improvement 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 totaled \$2,229,500 per year.

C. Termination Benefits

At retirement, employees are compensated for unused sick days. Also, the School Corporation has offered an early retirement incentive of \$20,000 to certified employees. Disbursements for these termination benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of \$54,400 were paid to two retirees.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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.

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 213,377
Interest on net pension obligation	(22,649)
Adjustment to annual required contribution	25,811
Annual pension cost	216,539
Contributions made	175,132
Increase (decrease) in net pension obligation	41,407
Net pension obligation, beginning of year	(312,404)
Net pension obligation, end of year	\$ (270,997)

	PERF
Contribution rates:	
School Corporation	6.5%
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%

BENTON COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 133,646	103%	\$ (354,792)
	06-30-07	202,207	79%	(312,404)
	06-30-08	216,539	81%	(270,997)

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.

Plan members are required to contribute 3% of their salary and 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% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$251,330, \$266,944, and \$239,641, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

BENTON 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 3,022,583	\$ 3,319,937	\$ (297,354)	91%	\$ 2,751,111	(11%)
07-01-07	3,266,817	3,626,888	(360,071)	90%	2,892,024	(12%)
07-01-08	3,386,375	3,752,162	(365,787)	90%	2,812,870	(13%)

BENTON 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Perkins Vocational 07/08	Perkins Vocational 05/06
Receipts:							
Local sources	\$ 1,376,045	\$ 12,245	\$ 444,034	\$ 144,964	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	67,262	-	79,400	-	-	-
Federal sources	-	-	357,027	-	-	14,538	-
Temporary loans	174,000	28,000	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	1,550,045	107,507	801,061	224,364	-	14,538	-
Disbursements:							
Current:							
Instruction	-	7,625	-	-	-	-	-
Support services	1,354,361	-	1,271	146,230	-	3,796	2,766
Noninstructional services	-	-	750,176	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	534,000	-	-	-	-	-	-
Nonprogrammed charges	-	77,182	-	-	19,232	-	-
Total disbursements	1,888,361	84,807	751,447	146,230	19,232	3,796	2,766
Excess (deficiency) of receipts over disbursements	(338,316)	22,700	49,614	78,134	(19,232)	10,742	(2,766)
Other financing sources (uses):							
Transfers in	-	-	-	24,761	-	-	-
Transfers out	(500,000)	-	-	-	-	-	-
Total other financing sources (uses)	(500,000)	-	-	24,761	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(838,316)	22,700	49,614	102,895	(19,232)	10,742	(2,766)
Cash and investments - beginning	662,694	(43,941)	159,195	101,378	19,232	-	2,775
Cash and investments - ending	\$ (175,622)	\$ (21,241)	\$ 208,809	\$ 204,273	\$ -	\$ 10,742	\$ 9
Cash and Investment Assets - Ending							
Cash and investments	\$ (175,622)	\$ (21,241)	\$ 208,809	\$ 204,273	\$ -	\$ 10,742	\$ 9
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (175,622)	\$ (21,241)	\$ 208,809	\$ 204,273	\$ -	\$ 10,742	\$ 9
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(175,622)	(21,241)	208,809	204,273	-	10,742	9
Total cash and investment fund balance - ending	\$ (175,622)	\$ (21,241)	\$ 208,809	\$ 204,273	\$ -	\$ 10,742	\$ 9

BENTON 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)

	Perkins Vocational 06/07	Education License Plates	School Safe Haven	Reading Recovery 07/08	Scholarship	Gifts and Donations	Unidentified Cash Long
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 464	\$ 58,944	\$ -
Intermediate sources	-	1,087	-	-	-	-	-
State sources	-	-	-	2,000	-	-	-
Federal sources	8,460	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	8,460	1,087	-	2,000	464	58,944	-
Disbursements:							
Current:							
Instruction	-	-	-	2,640	-	19,329	-
Support services	12,193	-	-	-	-	-	125
Noninstructional services	-	200	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	47,500	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	700	-	-
Total disbursements	12,193	200	-	2,640	700	66,829	125
Excess (deficiency) of receipts over disbursements	(3,733)	887	-	(640)	(236)	(7,885)	(125)
Other financing sources (uses):							
Transfers in	-	-	1,940	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,940	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,733)	887	1,940	(640)	(236)	(7,885)	(125)
Cash and investments - beginning	4,021	8,802	(1,940)	689	14,443	5,253	11,475
Cash and investments - ending	\$ 288	\$ 9,689	\$ -	\$ 49	\$ 14,207	\$ (2,632)	\$ 11,350
Cash and Investment Assets - Ending							
Cash and investments	\$ 288	\$ 9,689	\$ -	\$ 49	\$ 14,207	\$ (2,632)	\$ 11,350
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 288	\$ 9,689	\$ -	\$ 49	\$ 14,207	\$ (2,632)	\$ 11,350
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	288	9,689	-	49	14,207	(2,632)	11,350
Total cash and investment fund balance - ending	\$ 288	\$ 9,689	\$ -	\$ 49	\$ 14,207	\$ (2,632)	\$ 11,350

BENTON 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)

	After School Program	Gifted and Talented 04/05	Gifted and Talented 06/07	Medicaid State Reimbursement	Non-English Speaking Program	School Technology	Chances for Youth
Receipts:							
Local sources	\$ 98,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	98,415	-	-	-	-	-	-
Disbursements:							
Current:							
Instruction	63,578	-	1,645	-	78	-	2,796
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	63,578	-	1,645	-	78	-	2,796
Excess (deficiency) of receipts over disbursements	34,837	-	(1,645)	-	(78)	-	(2,796)
Other financing sources (uses):							
Transfers in	-	983	-	-	-	3,287	-
Transfers out	-	-	(810)	-	-	-	-
Total other financing sources (uses)	-	983	(810)	-	-	3,287	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,837	983	(2,455)	-	(78)	3,287	(2,796)
Cash and investments - beginning	(54,561)	(983)	2,455	22,449	78	(3,287)	9,932
Cash and investments - ending	\$ (19,724)	\$ -	\$ -	\$ 22,449	\$ -	\$ -	\$ 7,136
Cash and Investment Assets - Ending							
Cash and investments	\$ (19,724)	\$ -	\$ -	\$ 22,449	\$ -	\$ -	\$ 7,136
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (19,724)	\$ -	\$ -	\$ 22,449	\$ -	\$ -	\$ 7,136
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(19,724)	-	-	22,449	-	-	7,136
Total cash and investment fund balance - ending	\$ (19,724)	\$ -	\$ -	\$ 22,449	\$ -	\$ -	\$ 7,136

BENTON 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)

	Gifted and Talented 07/08	Title I 05/06	Title I 06/07	Title I 07/08	Title V 03/04	Title V 04/05	Title V 06/07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	33,750	-	-	-	-	-	-
Federal sources	-	-	13,009	221,085	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	33,750	-	13,009	221,085	-	-	-
Disbursements:							
Current:							
Instruction	10,578	-	33,502	139,438	-	7,844	3,173
Support services	-	-	465	20,437	-	-	-
Noninstructional services	-	-	502	649	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	10,578	-	34,469	160,524	-	7,844	3,173
Excess (deficiency) of receipts over disbursements	23,172	-	(21,460)	60,561	-	(7,844)	(3,173)
Other financing sources (uses):							
Transfers in	-	283	-	-	198	56,406	-
Transfers out	-	-	(283)	-	-	-	-
Total other financing sources (uses)	-	283	(283)	-	198	56,406	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,172	283	(21,743)	60,561	198	48,562	(3,173)
Cash and investments - beginning	-	(283)	21,743	-	(198)	(48,562)	3,173
Cash and investments - ending	\$ 23,172	\$ -	\$ -	\$ 60,561	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 23,172	\$ -	\$ -	\$ 60,561	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 23,172	\$ -	\$ -	\$ 60,561	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,172	-	-	60,561	-	-	-
Total cash and investment fund balance - ending	\$ 23,172	\$ -	\$ -	\$ 60,561	\$ -	\$ -	\$ -

BENTON 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 05/06	Adult Basic Education 07/08	Adult Basic Education 06/07	Title IV 05/06	Title IV 06/07	Title IV 07/08	Title II PN 00-068
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	37,395	42,585	-	-	-	5,955	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	37,395	42,585	-	-	-	5,955	-
Disbursements:							
Current:							
Instruction	20,158	36,216	212	-	7,069	-	-
Support services	3,776	-	-	-	-	450	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	23,934	36,216	212	-	7,069	450	-
Excess (deficiency) of receipts over disbursements	13,461	6,369	(212)	-	(7,069)	5,505	-
Other financing sources (uses):							
Transfers in	-	-	-	104	-	-	204
Transfers out	(56,604)	-	-	-	(104)	-	-
Total other financing sources (uses)	(56,604)	-	-	104	(104)	-	204
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,143)	6,369	(212)	104	(7,173)	5,505	204
Cash and investments - beginning	43,143	-	212	(104)	4,883	-	(204)
Cash and investments - ending	\$ -	\$ 6,369	\$ -	\$ -	\$ (2,290)	\$ 5,505	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 6,369	\$ -	\$ -	\$ (2,290)	\$ 5,505	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 6,369	\$ -	\$ -	\$ (2,290)	\$ 5,505	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,369	-	-	(2,290)	5,505	-
Total cash and investment fund balance - ending	\$ -	\$ 6,369	\$ -	\$ -	\$ (2,290)	\$ 5,505	\$ -

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

	Title II PN 01-061	Medicaid Federal Reimbursement	Class Size Reduction	Technology Grant SY 05-07	Technology Grant SY 04-06	Language Instruction 07/08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	90,059	-	-	647
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	90,059	-	-	647
Disbursements:						
Current:						
Instruction	-	-	17,260	-	-	-
Support services	-	29	-	3,400	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	3,249	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	29	17,260	3,400	3,249	-
Excess (deficiency) of receipts over disbursements	-	(29)	72,799	(3,400)	(3,249)	647
Other financing sources (uses):						
Transfers in	12	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	12	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12	(29)	72,799	(3,400)	(3,249)	647
Cash and investments - beginning	(12)	49,304	(59,920)	3,400	3,249	-
Cash and investments - ending	\$ -	\$ 49,275	\$ 12,879	\$ -	\$ -	\$ 647
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 49,275	\$ 12,879	\$ -	\$ -	\$ 647
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 49,275	\$ 12,879	\$ -	\$ -	\$ 647
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	49,275	12,879	-	-	647
Total cash and investment fund balance - ending	\$ -	\$ 49,275	\$ 12,879	\$ -	\$ -	\$ 647

BENTON 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)

	Challenge Technology Grant	Pension Bond Debt Service	School Bus Replacement	Reconstruction	Construction High School	Totals
Receipts:						
Local sources	\$ -	\$ 336,825	\$ 223,495	\$ -	\$ 6,281	\$ 2,701,712
Intermediate sources	-	-	-	-	-	1,087
State sources	-	-	-	-	-	182,412
Federal sources	-	-	-	-	-	790,760
Temporary loans	-	-	330,000	-	-	532,000
Other	-	-	-	17,697	-	17,697
Total receipts	-	336,825	553,495	17,697	6,281	4,225,668
Disbursements:						
Current:						
Instruction	-	-	-	-	-	373,141
Support services	700	-	813,514	18,207	-	2,381,720
Noninstructional services	-	-	-	-	-	751,527
Facilities acquisition and construction	-	-	-	-	109,620	160,369
Debt services	-	256,501	239,000	-	-	1,029,501
Nonprogrammed charges	-	-	-	-	-	97,114
Total disbursements	700	256,501	1,052,514	18,207	109,620	4,793,372
Excess (deficiency) of receipts over disbursements	(700)	80,324	(499,019)	(510)	(103,339)	(567,704)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	88,178
Transfers out	(2,150)	-	(150,000)	-	-	(709,951)
Total other financing sources (uses)	(2,150)	-	(150,000)	-	-	(621,773)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,850)	80,324	(649,019)	(510)	(103,339)	(1,189,477)
Cash and investments - beginning	2,850	(70,079)	588,632	862	244,734	1,706,982
Cash and investments - ending	\$ -	\$ 10,245	\$ (60,387)	\$ 352	\$ 141,395	\$ 517,505
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ (60,387)	\$ 352	\$ 141,395	\$ 507,260
Restricted assets:						
Cash and investments	-	10,245	-	-	-	10,245
Total cash and investment assets - ending	\$ -	\$ 10,245	\$ (60,387)	\$ 352	\$ 141,395	\$ 517,505
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 10,245	\$ -	\$ -	\$ -	\$ 10,245
Unrestricted	-	-	(60,387)	352	141,395	507,260
Total cash and investment fund balance - ending	\$ -	\$ 10,245	\$ (60,387)	\$ 352	\$ 141,395	\$ 517,505

BENTON 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, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Perkins Vocational 07/08	Perkins Vocational 08/09	Perkins Vocational 05/06
Receipts:							
Local sources	\$ 1,593,221	\$ 13,634	\$ 465,462	\$ 168,573	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	79,175	-	58,355	-	-	-
Federal sources	-	-	388,213	-	13,517	17,768	-
Temporary loans	1,242,000	69,000	-	-	-	-	-
Other	-	-	700	-	-	-	-
Total receipts	2,835,221	161,809	854,375	226,928	13,517	17,768	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	1,465,909	-	989	225,816	24,259	7,910	9
Noninstructional services	-	-	813,397	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	1,186,000	28,000	-	-	-	-	-
Nonprogrammed charges	-	82,500	-	-	-	-	-
Total disbursements	2,651,909	110,500	814,386	225,816	24,259	7,910	9
Excess (deficiency) of receipts over disbursements	183,312	51,309	39,989	1,112	(10,742)	9,858	(9)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(200,000)	-	-	-	-	-	-
Total other financing sources (uses)	(200,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,688)	51,309	39,989	1,112	(10,742)	9,858	(9)
Cash and investments - beginning	(175,622)	(21,241)	208,809	204,273	10,742	-	9
Cash and investments - ending	\$ (192,310)	\$ 30,068	\$ 248,798	\$ 205,385	\$ -	\$ 9,858	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ (192,310)	\$ 30,068	\$ 248,798	\$ 205,385	\$ -	\$ 9,858	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (192,310)	\$ 30,068	\$ 248,798	\$ 205,385	\$ -	\$ 9,858	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(192,310)	30,068	248,798	205,385	-	9,858	-
Total cash and investment fund balance - ending	\$ (192,310)	\$ 30,068	\$ 248,798	\$ 205,385	\$ -	\$ 9,858	\$ -

BENTON 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, 2009
 (Continued)

	Perkins Vocational 06/07	Education License Plates	Reading Recovery 08/09	School Safe Haven	Reading Recovery 07/08	Scholarship	Gifts and Donations
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477	\$ 94,578
Intermediate sources	-	1,125	-	-	-	-	-
State sources	-	-	2,000	5,404	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	1,125	2,000	5,404	-	477	94,578
Disbursements:							
Current:							
Instruction	-	-	1,132	5,307	49	-	53,786
Support services	288	-	-	-	-	-	56
Noninstructional services	-	500	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	50,265
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	200	-
Total disbursements	288	500	1,132	5,307	49	200	104,107
Excess (deficiency) of receipts over disbursements	(288)	625	868	97	(49)	277	(9,529)
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	(288)	625	868	97	(49)	277	(9,529)
Cash and investments - beginning	288	9,689	-	-	49	14,207	(2,632)
Cash and investments - ending	\$ -	\$ 10,314	\$ 868	\$ 97	\$ -	\$ 14,484	\$ (12,161)
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 10,314	\$ 868	\$ 97	\$ -	\$ 14,484	\$ (12,161)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 10,314	\$ 868	\$ 97	\$ -	\$ 14,484	\$ (12,161)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	10,314	868	97	-	14,484	(12,161)
Total cash and investment fund balance - ending	\$ -	\$ 10,314	\$ 868	\$ 97	\$ -	\$ 14,484	\$ (12,161)

BENTON 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, 2009
 (Continued)

	Unidentified Cash Long	After School Program	Cooperative School Services	Windmill Money	Medicaid Reimbursement	Non-English Speaking Program	Chances for Youth
Receipts:							
Local sources	\$ -	\$ 54,334	\$ 1,043,694	\$ 500,000	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	2,998	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	54,334	1,043,694	500,000	-	2,998	-
Disbursements:							
Current:							
Instruction	-	55,170	66,460	-	221	60	13,990
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	623,909	-	2,229	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	55,170	690,369	-	2,450	60	13,990
Excess (deficiency) of receipts over disbursements	-	(836)	353,325	500,000	(2,450)	2,938	(13,990)
Other financing sources (uses):							
Transfers in	-	20,560	-	-	-	-	9,088
Transfers out	(11,350)	-	-	(20,560)	-	-	-
Total other financing sources (uses)	(11,350)	20,560	-	(20,560)	-	-	9,088
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,350)	19,724	353,325	479,440	(2,450)	2,938	(4,902)
Cash and investments - beginning	11,350	(19,724)	-	-	22,449	-	7,136
Cash and investments - ending	\$ -	\$ -	\$ 353,325	\$ 479,440	\$ 19,999	\$ 2,938	\$ 2,234
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 353,325	\$ 479,440	\$ 19,999	\$ 2,938	\$ 2,234
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 353,325	\$ 479,440	\$ 19,999	\$ 2,938	\$ 2,234
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	353,325	479,440	19,999	2,938	2,234
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 353,325	\$ 479,440	\$ 19,999	\$ 2,938	\$ 2,234

BENTON 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, 2009
 (Continued)

	Gifted and Talented 07/08	Gifted and Talented 08/09	Title I 07/08	Title I 08/09	Title V 07/08	Adult Basic Education 07/08	Adult Basic Education 08/09
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	33,750	-	-	-	-	-
Federal sources	-	-	-	210,569	3,062	-	33,533
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	33,750	-	210,569	3,062	-	33,533
Disbursements:							
Current:							
Instruction	23,172	17,929	56,280	170,067	3,062	6,369	31,406
Support services	-	-	4,281	6,386	-	-	1,830
Noninstructional services	-	-	-	771	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	23,172	17,929	60,561	177,224	3,062	6,369	33,236
Excess (deficiency) of receipts over disbursements	(23,172)	15,821	(60,561)	33,345	-	(6,369)	297
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(9,088)	-	-	-	-	-
Total other financing sources (uses)	-	(9,088)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,172)	6,733	(60,561)	33,345	-	(6,369)	297
Cash and investments - beginning	23,172	-	60,561	-	-	6,369	-
Cash and investments - ending	\$ -	\$ 6,733	\$ -	\$ 33,345	\$ -	\$ -	\$ 297
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 6,733	\$ -	\$ 33,345	\$ -	\$ -	\$ 297
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 6,733	\$ -	\$ 33,345	\$ -	\$ -	\$ 297
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,733	-	33,345	-	-	297
Total cash and investment fund balance - ending	\$ -	\$ 6,733	\$ -	\$ 33,345	\$ -	\$ -	\$ 297

BENTON 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, 2009
 (Continued)

	Title IV 06/07	Title IV 07/08	Title IV 08/09	Medicaid Reimbursement	Class Size Reduction	Language Instruction 07/08	Language Instruction 08/09
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	1,200	5,761	-	60,550	-	869
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	1,200	5,761	-	60,550	-	869
Disbursements:							
Current:							
Instruction	2,566	292	-	-	54,759	647	869
Support services	-	4,874	2,670	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,566	5,166	2,670	-	54,759	647	869
Excess (deficiency) of receipts over disbursements	(2,566)	(3,966)	3,091	-	5,791	(647)	-
Other financing sources (uses):							
Transfers in	4,856	-	-	-	-	-	-
Transfers out	-	(207)	-	-	-	-	-
Total other financing sources (uses)	4,856	(207)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,290	(4,173)	3,091	-	5,791	(647)	-
Cash and investments - beginning	(2,290)	5,505	-	49,275	12,879	647	-
Cash and investments - ending	\$ -	\$ 1,332	\$ 3,091	\$ 49,275	\$ 18,670	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,332	\$ 3,091	\$ 49,275	\$ 18,670	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,332	\$ 3,091	\$ 49,275	\$ 18,670	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,332	3,091	49,275	18,670	-	-
Total cash and investment fund balance - ending	\$ -	\$ 1,332	\$ 3,091	\$ 49,275	\$ 18,670	\$ -	\$ -

BENTON 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, 2009
 (Continued)

	Fiscal Stabilization Grant	Pension Bond Debt Service	School Bus Replacement	Reconstruction	Construction High School	Totals
Receipts:						
Local sources	\$ -	\$ 137,883	\$ 887,436	\$ -	\$ 2,297	\$ 4,961,589
Intermediate sources	-	-	-	-	-	1,125
State sources	-	-	-	-	-	181,682
Federal sources	1,029,652	-	-	-	-	1,764,694
Temporary loans	-	-	-	-	-	1,311,000
Other	-	-	-	15,722	-	16,422
Total receipts	1,029,652	137,883	887,436	15,722	2,297	8,236,512
Disbursements:						
Current:						
Instruction	734,176	-	-	-	-	1,297,769
Support services	295,476	-	-	15,722	-	2,056,475
Noninstructional services	-	-	-	-	-	814,668
Facilities acquisition and construction	-	-	-	-	69,708	746,111
Debt services	-	256,173	330,000	-	-	1,800,173
Nonprogrammed charges	-	-	-	-	-	82,700
Total disbursements	1,029,652	256,173	330,000	15,722	69,708	6,797,896
Excess (deficiency) of receipts over disbursements	-	(118,290)	557,436	-	(67,411)	1,438,616
Other financing sources (uses):						
Transfers in	-	-	-	-	-	34,504
Transfers out	-	-	(300,000)	-	-	(541,205)
Total other financing sources (uses)	-	-	(300,000)	-	-	(506,701)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(118,290)	257,436	-	(67,411)	931,915
Cash and investments - beginning	-	10,245	(60,387)	352	141,395	517,505
Cash and investments - ending	\$ -	\$ (108,045)	\$ 197,049	\$ 352	\$ 73,984	\$ 1,449,420
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 197,049	\$ 352	\$ 73,984	\$ 1,557,465
Restricted assets:						
Cash and investments	-	(108,045)	-	-	-	(108,045)
Total cash and investment assets - ending	\$ -	\$ (108,045)	\$ 197,049	\$ 352	\$ 73,984	\$ 1,449,420
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ (108,045)	\$ -	\$ -	\$ -	\$ (108,045)
Unrestricted	-	-	197,049	352	73,984	1,557,465
Total cash and investment fund balance - ending	\$ -	\$ (108,045)	\$ 197,049	\$ 352	\$ 73,984	\$ 1,449,420

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Totals
Additions:		
Investment earnings:		
Interest	\$ 36,408	\$ 36,408
Deductions:		
Benefits	227,715	227,715
Excess (deficiency) of total additions over total deductions	(191,307)	(191,307)
Cash and investment fund balance - beginning	958,979	958,979
Cash and investment fund balance - ending	\$ 767,672	\$ 767,672
Net assets:		
Cash and investments	\$ 767,672	\$ 767,672
Total net assets - cash and investment basis held in trust	\$ 767,672	\$ 767,672

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2009

	Retirement/ Severance Bond	Totals
Additions:		
Contributions:		
Other	\$ 11,913	\$ 11,913
Investment earnings:		
Interest	<u>8,693</u>	<u>8,693</u>
Total additions	<u>20,606</u>	<u>20,606</u>
Deductions:		
Benefits	<u>159,215</u>	<u>159,215</u>
Excess (deficiency) of total additions over total deductions	(138,609)	(138,609)
Cash and investment fund balance - beginning	<u>767,672</u>	<u>767,672</u>
Cash and investment fund balance - ending	<u><u>\$ 629,063</u></u>	<u><u>\$ 629,063</u></u>
Net assets:		
Cash and investments	<u>\$ 629,063</u>	<u>\$ 629,063</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 629,063</u></u>	<u><u>\$ 629,063</u></u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	<u>Payroll Withholdings</u>	<u>Totals</u>
Additions:		
Agency fund additions	\$ 3,816,738	\$ 3,816,738
Deductions:		
Agency fund deductions	<u>3,789,426</u>	<u>3,789,426</u>
Excess (deficiency) of total additions over total deductions	27,312	27,312
Cash and investment fund balance - beginning	<u>170,046</u>	<u>170,046</u>
Cash and investment fund balance - ending	<u>\$ 197,358</u>	<u>\$ 197,358</u>

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Payroll Withholdings	Totals
Additions:		
Agency fund additions	\$ 3,518,720	\$ 3,518,720
Deductions:		
Agency fund deductions	3,529,671	3,529,671
Excess (deficiency) of total additions over total deductions	(10,951)	(10,951)
Cash and investment fund balance - beginning	197,358	197,358
Cash and investment fund balance - ending	\$ 186,407	\$ 186,407

BENTON COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
High School Building	\$ 8,372,799	\$ 826,000
Elementary School Building	15,539,322	1,407,000
Share of Cooperative Building	208,369	11,408
Notes and loans payable	878,734	83,297
Tax anticipation warrants	2,837,000	2,910,451
Bonds payable:		
General obligation bonds:		
2002 Pension Bonds	1,495,000	82,921
2006 Pension Bonds	840,000	50,445
Total governmental activities debt	<u>\$ 30,171,224</u>	<u>\$ 5,371,522</u>

BENTON COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn by the amounts shown:

Fund	June 30, 2008	June 30, 2009
Debt Service	\$ (1,096,322)	\$ (1,155,568)
Capital Projects	(434,851)	-
Transportation Operating	(175,622)	(192,310)
Special Education Preschool	(21,241)	-
After School Program	(19,724)	-
School Bus Replacement	(60,387)	-
Gifts and Donations	(2,632)	(12,161)
Pension Bond Debt Service	-	(108,045)

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 School Corporations, Page 9-9)

OVERDRAWN APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
General	2007	\$ <u>63,755</u>

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."

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
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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 BENTON COMMUNITY SCHOOL
CORPORATION, BENTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Benton Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. 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, 2008 and 2009.

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

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)

opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

December 7, 2009

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 2007-08 FY 2008-09	\$ 57,062 -	\$ - 57,764
Total for program			57,062	57,764
National School Lunch Program	10.555	FY 2007-08 FY 2008-09	336,774 -	- 375,110
Total for program			336,774	375,110
Total for cluster			393,836	432,874
Total for federal grantor agency			393,836	432,874
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Adult Education - Basic Grants to States				
	84.002	FY 2006-07 FY 2007-08 FY 2008-09	212 36,216 -	- 6,369 33,236
Total for program			36,428	39,605
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
	84.010	07-0395 08-0395 09-0395	34,469 160,524 -	- 60,561 177,224
Total for program			194,993	237,785
Pass-Through Wildcat Creek Career Cooperative				
Career and Technical Education - Basic Grants to States				
	84.048	FY 2005-06 FY 2006-07 FY 2007-08 FY 2008-09	2,766 12,193 3,796 -	9 288 24,259 7,960
Total for program			18,755	32,516
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants				
	84.186	06-0395 07-0395 08-0395	7,069 450 -	2,566 5,166 2,670
Total for program			7,519	10,402

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

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009
(Continued)

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Innovative Education Program Strategies	84.298			
		FY 2004-05	7,844	-
		FY 2005-06	23,934	-
		FY 2006-07	3,173	-
		FY 2007-08	-	3,062
Total for program			<u>34,951</u>	<u>3,062</u>
Pass-Through Indiana Department of Education Education Technology State Grants	84.318			
		SY-04-06	3,249	-
		SY-05-07	3,400	-
		FY 2003-04	700	-
Total for program			<u>7,349</u>	<u>-</u>
Pass-Through Indiana Department of Education English Language Acquisition Grants	84.365			
		FY 2008-09	-	1,516
Total for program			<u>-</u>	<u>1,516</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		FY 2007-08	17,260	-
		FY 2008-09	-	54,759
Total for program			<u>17,260</u>	<u>54,759</u>
Pass-Through Indiana Department of Education ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
		FY 2008-09	-	1,029,652
Total for program			<u>-</u>	<u>1,029,652</u>
Total for federal grantor agency			<u>317,255</u>	<u>1,409,297</u>
Total federal awards expended			<u>\$ 711,091</u>	<u>\$ 1,842,171</u>

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

BENTON COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007-2008	2008-2009
National School Lunch Program	10.555	\$ 36,809	\$ 44,661

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

BENTON COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reportable.

BENTON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2009, with Tracy Albertson, Treasurer; Ross L. Sloat, Superintendent of Schools; and James E. Deckard, President of the School Board. The officials concurred with our audit findings.