

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

AUDIT REPORT
OF
SOUTHEAST FOUNTAIN SCHOOL CORPORATION
FOUNTAIN COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
03/05/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cynthia C. Alward	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Robert J. Baker (Interim) Corey Austin	07-01-07 to 06-30-08 07-01-08 to 06-30-10
President of the School Board	Doug Davenport Daniel McGrady Gary B. Pate Nick Davis	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10



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

TO: THE OFFICIALS OF THE SOUTHEAST FOUNTAIN SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southeast Fountain 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 January 14, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 14, 2010



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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 SOUTHEAST FOUNTAIN SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southeast Fountain 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 January 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

January 14, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 5,575,461	\$ -	\$ 132,056	\$ (5,443,405)	
Support services	3,354,751	345,393	294,354	(2,715,004)	
Noninstructional services	735,150	-	-	(735,150)	
Facilities acquisition and construction	1,533,345	-	-	(1,533,345)	
Debt service	803,138	-	-	(803,138)	
Nonprogrammed charges	<u>405,985</u>	<u>-</u>	<u>-</u>	<u>(405,985)</u>	
Total governmental activities	<u>\$ 12,407,830</u>	<u>\$ 345,393</u>	<u>\$ 426,410</u>	<u>(11,636,027)</u>	
General receipts:					
Property taxes				2,386,917	
Other local sources				818,628	
State aid				5,224,658	
Grants and contributions not restricted to specific programs				634,167	
Sale of property				12,817	
Investment earnings				129,219	
Other				<u>8,908</u>	
Total general receipts				<u>9,215,314</u>	
Change in net assets				(2,420,713)	
Net assets - beginning				<u>4,880,636</u>	
Net assets - ending				<u>\$ 2,459,923</u>	
<u>Assets</u>					
Cash and investments				\$ 2,057,024	
Restricted assets:					
Cash and investments				<u>402,899</u>	
Total assets				<u>\$ 2,459,923</u>	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 73,043	
Other purposes				329,856	
Unrestricted				<u>2,057,024</u>	
Total net assets				<u>\$ 2,459,923</u>	

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

SOUTHEAST FOUNTAIN 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 5,469,758	\$ -	\$ 188,879	\$ (5,280,879)
Support services	3,783,155	372,335	322,626	(3,088,194)
Noninstructional services	758,475	-	-	(758,475)
Facilities acquisition and construction	451,213	-	-	(451,213)
Debt service	1,027,663	-	-	(1,027,663)
Nonprogrammed charges	<u>582,777</u>	<u>-</u>	<u>-</u>	<u>(582,777)</u>
Total governmental activities	<u>\$ 12,073,041</u>	<u>\$ 372,335</u>	<u>\$ 511,505</u>	<u>(11,189,201)</u>
General receipts:				
Property taxes				4,274,553
Other local sources				972,068
State aid				5,759,670
Bonds and loans				220,000
Grants and contributions not restricted to specific programs				1,296,198
Sale of property				1,783
Investment earnings				12,901
Other				<u>23,799</u>
Total general receipts				<u>12,560,972</u>
Change in net assets				1,371,771
Net assets - beginning				<u>2,459,923</u>
Net assets - ending				<u>\$ 3,831,694</u>
<u>Assets</u>				
Cash and investments				\$ 3,593,278
Restricted assets:				
Cash and investments				<u>238,416</u>
Total assets				<u>\$ 3,831,694</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 40,258
Other purposes				198,158
Unrestricted				<u>3,593,278</u>
Total net assets				<u>\$ 3,831,694</u>

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

SOUTHEAST FOUNTAIN 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

	<u>General</u>	<u>Rainy Day</u>	<u>Other</u>	<u>Totals</u>
Receipts:				
Local sources	\$ 1,638,992	\$ 19,521	\$ 2,020,933	\$ 3,679,446
Intermediate sources	412	-	300	712
State sources	5,323,223	-	216,765	5,539,988
Federal sources	-	-	745,246	745,246
Other	<u>5,689</u>	<u>-</u>	<u>3,219</u>	<u>8,908</u>
Total receipts	<u>6,968,316</u>	<u>19,521</u>	<u>2,986,463</u>	<u>9,974,300</u>
Disbursements:				
Current:				
Instruction	4,931,875	-	643,586	5,575,461
Support services	2,109,169	-	1,245,582	3,354,751
Noninstructional services	118,259	-	616,891	735,150
Facilities acquisition and construction	-	998,562	534,783	1,533,345
Debt services	-	-	803,138	803,138
Nonprogrammed charges	<u>369,002</u>	<u>-</u>	<u>34,282</u>	<u>403,284</u>
Total disbursements	<u>7,528,305</u>	<u>998,562</u>	<u>3,878,262</u>	<u>12,405,129</u>
Excess (deficiency) of receipts over disbursements	<u>(559,989)</u>	<u>(979,041)</u>	<u>(891,799)</u>	<u>(2,430,829)</u>
Other financing sources (uses):				
Sale of capital assets	8,273	-	4,544	12,817
Transfers in	417	-	261,399	261,816
Transfers out	<u>-</u>	<u>(198,837)</u>	<u>(62,979)</u>	<u>(261,816)</u>
Total other financing sources (uses)	<u>8,690</u>	<u>(198,837)</u>	<u>202,964</u>	<u>12,817</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(551,299)</u>	<u>(1,177,878)</u>	<u>(688,835)</u>	<u>(2,418,012)</u>
Cash and investments - beginning	<u>567,352</u>	<u>2,820,331</u>	<u>1,160,396</u>	<u>4,548,079</u>
Cash and investments - ending	<u>\$ 16,053</u>	<u>\$ 1,642,453</u>	<u>\$ 471,561</u>	<u>2,130,067</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:				
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				
				<u>329,856</u>
Net assets of governmental activities				<u>\$ 2,459,923</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	\$ 16,053	\$ 1,642,453	\$ 398,518	\$ 2,057,024
Restricted assets:				
Cash and investments	<u>-</u>	<u>-</u>	<u>73,043</u>	<u>73,043</u>
Total cash and investment assets - ending	<u>\$ 16,053</u>	<u>\$ 1,642,453</u>	<u>\$ 471,561</u>	<u>\$ 2,130,067</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 73,043	\$ 73,043
Unrestricted	<u>16,053</u>	<u>1,642,453</u>	<u>398,518</u>	<u>2,057,024</u>
Total cash and investment fund balance - ending	<u>\$ 16,053</u>	<u>\$ 1,642,453</u>	<u>\$ 471,561</u>	<u>\$ 2,130,067</u>

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

SOUTHEAST FOUNTAIN 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	Other	Totals
Receipts:				
Local sources	\$ 2,393,446	\$ -	\$ 3,237,625	\$ 5,631,071
Intermediate sources	412	-	375	787
State sources	5,914,943	-	173,165	6,088,108
Federal sources	-	-	1,479,264	1,479,264
Temporary loans	220,000	-	-	220,000
Other	15,577	-	8,222	23,799
	<u>8,544,378</u>	<u>-</u>	<u>4,898,651</u>	<u>13,443,029</u>
Disbursements:				
Current:				
Instruction	4,371,484	-	1,098,274	5,469,758
Support services	2,177,260	-	1,605,895	3,783,155
Noninstructional services	138,868	-	619,607	758,475
Facilities acquisition and construction	-	-	451,213	451,213
Debt services	220,275	-	807,388	1,027,663
Nonprogrammed charges	424,538	-	26,541	451,079
	<u>7,332,425</u>	<u>-</u>	<u>4,608,918</u>	<u>11,941,343</u>
Excess (deficiency) of receipts over disbursements	<u>1,211,953</u>	<u>-</u>	<u>289,733</u>	<u>1,501,686</u>
Other financing sources (uses):				
Sale of capital assets	1,683	-	100	1,783
Transfers in	9,431	198,837	182,187	390,455
Transfers out	(44,679)	(19,521)	(326,255)	(390,455)
	<u>(33,565)</u>	<u>179,316</u>	<u>(143,968)</u>	<u>1,783</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,178,388	179,316	145,765	1,503,469
Cash and investments - beginning	<u>16,053</u>	<u>1,642,453</u>	<u>471,561</u>	<u>2,130,067</u>
Cash and investments - ending	<u>\$ 1,194,441</u>	<u>\$ 1,821,769</u>	<u>\$ 617,326</u>	<u>3,633,536</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:				
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				
				<u>198,158</u>
Net assets of governmental activities				<u>\$ 3,831,694</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	\$ 1,194,441	\$ 1,821,769	\$ 577,068	\$ 3,593,278
Restricted assets:				
Cash and investments	<u>-</u>	<u>-</u>	<u>40,258</u>	<u>40,258</u>
Total cash and investment assets - ending	<u>\$ 1,194,441</u>	<u>\$ 1,821,769</u>	<u>\$ 617,326</u>	<u>\$ 3,633,536</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 40,258	\$ 40,258
Unrestricted	<u>1,194,441</u>	<u>1,821,769</u>	<u>577,068</u>	<u>3,593,278</u>
Total cash and investment fund balance - ending	<u>\$ 1,194,441</u>	<u>\$ 1,821,769</u>	<u>\$ 617,326</u>	<u>\$ 3,633,536</u>

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 25
Operating disbursements:	
Insurance claims and expense	2,726
Change in net assets	(2,701)
Cash and investment fund balance - beginning	332,557
Cash and investment fund balance - ending	\$ 329,856
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 329,856
Total cash and investment assets - ending	\$ 329,856
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 329,856
Total cash and investment fund balance - ending	\$ 329,856

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	Internal Service Fund
Operating receipts:	
Total operating receipts	\$ -
Operating disbursements:	
Insurance claims and expense	131,698
Change in net assets	(131,698)
Cash and investment fund balance - beginning	329,856
Cash and investment fund balance - ending	\$ 198,158
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 198,158
Total cash and investment assets - ending	\$ 198,158
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 198,158
Total cash and investment fund balance - ending	\$ 198,158

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 28,817
Investment earnings:		
Interest	-	362
Total additions	<u>-</u>	<u>29,179</u>
Deductions:		
Benefits	24,281	-
Administrative and general	<u>-</u>	<u>34,598</u>
Total deductions	<u>24,281</u>	<u>34,598</u>
Excess (deficiency) of total additions over total deductions	(24,281)	(5,419)
Cash and investment fund balance - beginning	<u>24,281</u>	<u>118,183</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 112,764</u>
Net assets:		
Cash and investments	<u>\$ -</u>	<u>\$ 112,764</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 112,764</u>

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

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

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Employer	\$ 49,370
Investment earnings:	
Interest	143
Total additions	49,513
Deductions:	
Administrative and general	31,526
Total deductions	31,526
Excess (deficiency) of total additions over total deductions	17,987
Cash and investment fund balance - beginning	112,764
Cash and investment fund balance - ending	\$ 130,751
Net assets:	
Cash and investments	\$ 130,751
Total net assets - cash and investment basis held in trust	\$ 130,751

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Southeast Fountain 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 seven other school corporations in a joint venture to operate West Central Indiana Special Services Cooperative which was created to provide instruction to handicapped children. The Cooperative's continued existence depends on continued funding by the School Corporation. Costs for the programs are prorated between the participants. Complete financial statements for the West Central Indiana Special Services Cooperative can be obtained from Crawfordsville Community Schools.

The School Corporation is a participant with five other school corporations in a joint venture to operate West Central Indiana Career and Technical Education Administration which was created to provide vocational education. The Cooperative's continued existence depends on continued funding by the School Corporation. Administrative costs are divided equally among the participants, while program costs are based on the enrollment in the various programs. Complete financial statements for the Cooperative can be obtained from Crawfordsville Community Schools.

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 the board members of the Kingman-Millcreek Library Board, INCOLSA, and Covington-Veedersburg Library Board.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

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.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the balance of the self-insurance fund which is being used to pay a portion of employee medical insurance deductibles until it is depleted.

The pension trust funds account for the activities of the post-retirement severance future benefit, which accumulate resources for pension benefit payments.

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

Agency funds account for assets held by the School Corporation as an agent for federal, state, and local government and several private companies.

C. Measurement Focus and Basis of Accounting

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

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(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). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. In 2007, tax installments were due on June 8 and November 13 and in 2008, taxes were due on November 10, 2008, and January 12, 2009.

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.

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 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:

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2007-2008	2008-2009
Department of Workforce Development	\$ -	\$ 1,597

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the anticipation of grant funding; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

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 \$3,814,541.

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.

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	\$ -	\$ 44,679
Rainy Day Fund	General Fund	-	9,431
	Other governmental funds	198,837	10,090
Other governmental funds	General Fund	417	-
	Rainy Day Fund	-	198,837
	Other governmental funds	62,562	127,418
Totals		\$ 261,816	\$ 390,455

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

B. Holding Corporations

The School Corporation has entered into a capital lease with Southeast Fountain Central 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 totaled \$991,000.

The School Corporation has entered into a capital lease with Southeast Fountain Elementary 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 totaled \$434,000.

C. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after June 30, 2008, the Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 54,036
Interest on net pension obligation	(6,603)
Adjustment to annual required contribution	7,525
Annual pension cost	54,958
Contributions made	61,949
Increase (decrease) in net pension obligation	(6,991)
Net pension obligation, beginning of year	(91,081)
Net pension obligation, end of year	\$ (98,072)

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	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%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 52,596	119%	\$ (76,160)
	06-30-07	48,626	131%	(91,081)
	06-30-08	54,958	113%	(98,072)

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

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2008, and 2009, were \$130,440, \$147,226, and \$166,276, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

E. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Southeast Fountain School Corporation Healthcare Plan is a single-employer defined benefit healthcare plan administered by Anthem. The plan provides medical benefits to eligible retirees and their spouses. IC 5-10-08 assigns the authority to establish and amend benefit provisions to the School. The administrator issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Anthem
1351 Wm Howard Taft
Cincinnati, OH 45206-1775

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for the Southeast Fountain School Corporation Healthcare Plan are established by the School Board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the School contributed \$25,440 to the plan, approximately 70% of total premiums. Plan members receiving benefits contributed \$5,353, or approximately 30% of the total premiums, through their required contribution of \$111.52 per month for retiree-only coverage and \$570.88 for retiree and spouse coverage.

SOUTHEAST FOUNTAIN 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	\$ 1,566,204	\$ 1,298,304	\$ 267,900	121%	\$ 1,070,679	25%
07-01-07	1,676,566	1,377,635	298,931	122%	1,204,838	25%
07-01-08	1,847,172	1,622,663	224,509	114%	1,236,087	18%

SOUTHEAST FOUNTAIN 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	Special Education Preschool	School Lunch	Textbook Rental	Joint Services and Supply Area Vocational	2007-2008 Vocational Welding
Receipts:						
Local sources	\$ 407,555	\$ 3,658	\$ 322,131	\$ 114,086	\$ 46,549	\$ 56,253
Intermediate sources	-	-	-	-	-	-
State sources	-	39,930	9,498	36,357	-	-
Federal sources	-	-	247,437	-	-	-
Other	292	-	2,327	600	-	-
Total receipts	407,847	43,588	581,393	151,043	46,549	56,253
Disbursements:						
Current:						
Instruction	-	49,375	-	-	42,748	44,753
Support services	646,987	-	600	210,197	-	-
Noninstructional services	-	-	614,829	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	646,987	49,375	615,429	210,197	42,748	44,753
Excess (deficiency) of receipts over disbursements	(239,140)	(5,787)	(34,036)	(59,154)	3,801	11,500
Other financing sources (uses):						
Sale of capital assets	2,292	-	2,252	-	-	-
Transfers in	118,353	-	-	-	22,370	8,092
Transfers out	-	-	-	-	-	(19,592)
Total other financing sources (uses)	120,645	-	2,252	-	22,370	(11,500)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(118,495)	(5,787)	(31,784)	(59,154)	26,171	-
Cash and investments - beginning	118,538	5,817	69,035	148,111	-	-
Cash and investments - ending	<u>43</u>	<u>30</u>	<u>37,251</u>	<u>88,957</u>	<u>26,171</u>	<u>-</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 43	\$ 30	\$ 37,251	\$ 88,957	\$ 26,171	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>43</u>	<u>30</u>	<u>37,251</u>	<u>88,957</u>	<u>26,171</u>	<u>-</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>43</u>	<u>30</u>	<u>37,251</u>	<u>88,957</u>	<u>26,171</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>43</u>	<u>30</u>	<u>37,251</u>	<u>88,957</u>	<u>26,171</u>	<u>-</u>

SOUTHEAST FOUNTAIN 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)

	2006-2007 Vocational Welding	2007-2008 Pharmacy Tech	Educational License Plate	Alternative Education Program	SAFE School Haven	Early Intervention Grant
Receipts:						
Local sources	\$ 2,654	\$ 5,500	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	300	-	-	-
State sources	-	-	-	-	2,710	23,600
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	2,654	5,500	300	-	2,710	23,600
Disbursements:						
Current:						
Instruction	11,306	2,722	-	5,005	-	-
Support services	1,012	-	-	-	2,710	23,600
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	12,318	2,722	-	5,005	2,710	23,600
Excess (deficiency) of receipts over disbursements	(9,664)	2,778	300	(5,005)	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(8,092)	(2,778)	-	-	-	-
Total other financing sources (uses)	(8,092)	(2,778)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,756)	-	300	(5,005)	-	-
Cash and investments - beginning	17,756	-	2,304	19,470	-	-
Cash and investments - ending	\$ -	\$ -	\$ 2,604	\$ 14,465	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 2,604	\$ 14,465	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 2,604	\$ 14,465	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	2,604	14,465	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 2,604	\$ 14,465	\$ -	\$ -

SOUTHEAST FOUNTAIN 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)

	Instruction Support	2006-2007 Gifted and Talented	Drug Free Communities	Medicaid Reimbursement	Extra- Curricular Activities	Non-English Speaking Programs
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,137	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	31,057	-	300	417	-	2,433
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>31,057</u>	<u>-</u>	<u>300</u>	<u>417</u>	<u>1,137</u>	<u>2,433</u>
Disbursements:						
Current:						
Instruction	24,352	2,314	-	-	-	2,433
Support services	-	-	60	-	-	-
Noninstructional services	-	-	-	-	1,137	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>24,352</u>	<u>2,314</u>	<u>60</u>	<u>-</u>	<u>1,137</u>	<u>2,433</u>
Excess (deficiency) of receipts over disbursements	<u>6,705</u>	<u>(2,314)</u>	<u>240</u>	<u>417</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(417)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(417)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,705</u>	<u>(2,314)</u>	<u>240</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>-</u>	<u>2,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,705</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 6,705	\$ -	\$ 240	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,705</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,705	-	240	-	-	-
Total cash and investment fund balance - ending	<u>\$ 6,705</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST FOUNTAIN 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)

	Technology Grants	Wireless Internet	Title I 2008-2009	Title I 2007-2008	Title I 2006-2007	Title V, Part A 2007-2008
Receipts:						
Local sources	\$ -	\$ 28,500	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	70,463	-	-	-	-	-
Federal sources	-	-	94,840	66,417	-	2,108
Other	-	-	-	-	-	-
Total receipts	70,463	28,500	94,840	66,417	-	2,108
Disbursements:						
Current:						
Instruction	-	-	73,799	58,724	7,300	2,108
Support services	8,133	28,500	2,818	2,137	-	-
Noninstructional services	-	-	722	203	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	8,133	28,500	77,339	61,064	7,300	2,108
Excess (deficiency) of receipts over disbursements	62,330	-	17,501	5,353	(7,300)	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	13,293	7,940	-	-
Transfers out	-	-	-	(13,293)	(7,940)	-
Total other financing sources (uses)	-	-	13,293	(5,353)	(7,940)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	62,330	-	30,794	-	(15,240)	-
Cash and investments - beginning	-	-	-	-	15,240	-
Cash and investments - ending	\$ 62,330	\$ -	\$ 30,794	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 62,330	\$ -	\$ 30,794	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 62,330	\$ -	\$ 30,794	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	62,330	-	30,794	-	-	-
Total cash and investment fund balance - ending	\$ 62,330	\$ -	\$ 30,794	\$ -	\$ -	\$ -

SOUTHEAST FOUNTAIN 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)

	LD Fund 2008-2009	LD Fund 2007-2008	LD Fund 2006-2007	Federal Preschool Special Education 2008-2009	Federal Preschool Special Education 2007-2008
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	179,751	77,880	-	10,561	1,998
Other	-	-	-	-	-
Total receipts	<u>179,751</u>	<u>77,880</u>	<u>-</u>	<u>10,561</u>	<u>1,998</u>
Disbursements:					
Current:					
Instruction	117,862	86,749	26,678	12,559	-
Support services	-	-	-	-	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	25,328	-	8,954	-	-
Total disbursements	<u>143,190</u>	<u>86,749</u>	<u>35,632</u>	<u>12,559</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>36,561</u>	<u>(8,869)</u>	<u>(35,632)</u>	<u>(1,998)</u>	<u>1,998</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	8,869	-	1,998	-
Transfers out	(8,869)	-	-	-	(1,998)
Total other financing sources (uses)	<u>(8,869)</u>	<u>8,869</u>	<u>-</u>	<u>1,998</u>	<u>(1,998)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,692	-	(35,632)	-	-
Cash and investments - beginning	-	-	35,632	-	-
Cash and investments - ending	<u>\$ 27,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 27,692	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 27,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,692	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 27,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST FOUNTAIN 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)

	Drug Free Schools 2007-2008	Drug Free Schools 2006-2007	Federal Medicaid Reimbursement	Title II, Part A Improving Teacher Quality	Title III Limited English Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	2,397	-	645	59,272	1,940
Other	-	-	-	-	-
Total receipts	<u>2,397</u>	<u>-</u>	<u>645</u>	<u>59,272</u>	<u>1,940</u>
Disbursements:					
Current:					
Instruction	2,490	263	3,237	64,869	1,940
Support services	1,991	-	84	7,203	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>4,481</u>	<u>263</u>	<u>3,321</u>	<u>72,072</u>	<u>1,940</u>
Excess (deficiency) of receipts over disbursements	<u>(2,084)</u>	<u>(263)</u>	<u>(2,676)</u>	<u>(12,800)</u>	<u>-</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,084)</u>	<u>(263)</u>	<u>(2,676)</u>	<u>(12,800)</u>	<u>-</u>
Cash and investments - beginning	<u>2,661</u>	<u>263</u>	<u>7,115</u>	<u>25,852</u>	<u>-</u>
Cash and investments - ending	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 4,439</u>	<u>\$ 13,052</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 577	\$ -	\$ 4,439	\$ 13,052	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 4,439</u>	<u>\$ 13,052</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>577</u>	<u>-</u>	<u>4,439</u>	<u>13,052</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 4,439</u>	<u>\$ 13,052</u>	<u>\$ -</u>

SOUTHEAST FOUNTAIN 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)

	Debt Service	Capital Projects	School Bus Replacement	Construction	Totals
Receipts:					
Local sources	\$ 481,293	\$ 454,871	\$ 96,746	\$ -	\$ 2,020,933
Intermediate sources	-	-	-	-	300
State sources	-	-	-	-	216,765
Federal sources	-	-	-	-	745,246
Other	-	-	-	-	3,219
Total receipts	481,293	454,871	96,746	-	2,986,463
Disbursements:					
Current:					
Instruction	-	-	-	-	643,586
Support services	-	172,463	137,087	-	1,245,582
Noninstructional services	-	-	-	-	616,891
Facilities acquisition and construction	-	502,933	-	31,850	534,783
Debt services	803,138	-	-	-	803,138
Nonprogrammed charges	-	-	-	-	34,282
Total disbursements	803,138	675,396	137,087	31,850	3,878,262
Excess (deficiency) of receipts over disbursements	(321,845)	(220,525)	(40,341)	(31,850)	(891,799)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	4,544
Transfers in	-	80,484	-	-	261,399
Transfers out	-	-	-	-	(62,979)
Total other financing sources (uses)	-	80,484	-	-	202,964
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(321,845)	(140,041)	(40,341)	(31,850)	(688,835)
Cash and investments - beginning	394,888	140,041	55,748	99,611	1,160,396
Cash and investments - ending	<u>\$ 73,043</u>	<u>\$ -</u>	<u>\$ 15,407</u>	<u>\$ 67,761</u>	<u>\$ 471,561</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ 15,407	\$ 67,761	\$ 398,518
Restricted assets:					
Cash and investments	73,043	-	-	-	73,043
Total cash and investment assets - ending	<u>\$ 73,043</u>	<u>\$ -</u>	<u>\$ 15,407</u>	<u>\$ 67,761</u>	<u>\$ 471,561</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ 73,043	\$ -	\$ -	\$ -	\$ 73,043
Unrestricted	-	-	15,407	67,761	398,518
Total cash and investment fund balance - ending	<u>\$ 73,043</u>	<u>\$ -</u>	<u>\$ 15,407</u>	<u>\$ 67,761</u>	<u>\$ 471,561</u>

SOUTHEAST FOUNTAIN 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	Special Education Preschool	School Lunch	Textbook Rental	Joint Services and Supply Area Vocational	2007-2008 Vocational Welding
Receipts:						
Local sources	\$ 694,589	\$ 7,272	\$ 336,110	\$ 98,271	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	51,228	8,980	54,532	-	-
Federal sources	-	-	259,114	-	-	-
Other	2,336	-	4,626	1,260	-	-
Total receipts	696,925	58,500	608,830	154,063	-	-
Disbursements:						
Current:						
Instruction	-	10,901	-	-	-	13,806
Support services	587,555	-	600	95,185	-	-
Noninstructional services	-	-	602,912	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	587,555	10,901	603,512	95,185	-	13,806
Excess (deficiency) of receipts over disbursements	109,370	47,599	5,318	58,878	-	(13,806)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	14,218	121	-	-	-	24,068
Transfers out	(118,353)	-	-	-	(26,170)	(10,262)
Total other financing sources (uses)	(104,135)	121	-	-	(26,170)	13,806
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,235	47,720	5,318	58,878	(26,170)	-
Cash and investments - beginning	43	30	37,251	88,957	26,170	-
Cash and investments - ending	\$ 5,278	\$ 47,750	\$ 42,569	\$ 147,835	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,278	\$ 47,750	\$ 42,569	\$ 147,835	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 5,278	\$ 47,750	\$ 42,569	\$ 147,835	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,278	47,750	42,569	147,835	-	-
Total cash and investment fund balance - ending	\$ 5,278	\$ 47,750	\$ 42,569	\$ 147,835	\$ -	\$ -

SOUTHEAST FOUNTAIN 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)

	2006-2007 Vocational Welding	2007-2008 Pharmacy Tech	2008-2009 Pharmacy Tech	Educational License Plates	Alternative Education	Early Intervention Grant
Receipts:						
Local sources	\$ 100,789	\$ -	\$ 3,197	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	375	-	-
State sources	-	-	-	-	-	23,820
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	100,789	-	3,197	375	-	23,820
Disbursements:						
Current:						
Instruction	89,334	-	3,255	-	4,550	-
Support services	226	-	-	-	-	23,820
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	89,560	-	3,255	-	4,550	23,820
Excess (deficiency) of receipts over disbursements	11,229	-	(58)	375	(4,550)	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	10,262	2,102	2,102	-	-	-
Transfers out	-	(2,102)	-	-	-	-
Total other financing sources (uses)	10,262	-	2,102	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,491	-	2,044	375	(4,550)	-
Cash and investments - beginning	-	-	-	2,604	14,465	-
Cash and investments - ending	21,491	-	2,044	2,979	9,915	-
Cash and Investment Assets - Ending						
Cash and investments	\$ 21,491	\$ -	\$ 2,044	\$ 2,979	\$ 9,915	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	21,491	-	2,044	2,979	9,915	-
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	21,491	-	2,044	2,979	9,915	-
Total cash and investment fund balance - ending	21,491	-	2,044	2,979	9,915	-

SOUTHEAST FOUNTAIN 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)

	Instruction Support	High Abilities Grant	Economic Education Mini-Grant	Drug Free Communities	Extra- Curricular Activities	Non-English Speaking Programs
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,074	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	31,057	1,000	-	-	2,548
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	31,057	1,000	-	1,074	2,548
Disbursements:						
Current:						
Instruction	-	35,162	1,000	-	-	2,548
Support services	-	-	-	60	-	-
Noninstructional services	-	-	-	-	1,074	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	35,162	1,000	60	1,074	2,548
Excess (deficiency) of receipts over disbursements	-	(4,105)	-	(60)	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	6,705	-	-	-	-
Transfers out	(6,705)	-	-	-	-	-
Total other financing sources (uses)	(6,705)	6,705	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,705)	2,600	-	(60)	-	-
Cash and investments - beginning	6,705	-	-	240	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,600</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 2,600	\$ -	\$ 180	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 2,600</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,600	-	180	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2,600</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST FOUNTAIN 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)

	Technology Grants	Title I 2008-2009	Title I 2007-2008	LD Fund 2008-2009	LD Fund 2007-2008	Federal Preschool Special Education 2008-2009
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	170,551	-	256,674	-	13,742
Other	-	-	-	-	-	-
Total receipts	-	170,551	-	256,674	-	13,742
Disbursements:						
Current:						
Instruction	-	145,851	7,678	209,580	27,692	9,994
Support services	52,766	5,888	-	-	-	-
Noninstructional services	-	392	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	13,298	-	-
Total disbursements	52,766	152,131	7,678	222,878	27,692	9,994
Excess (deficiency) of receipts over disbursements	(52,766)	18,420	(7,678)	33,796	(27,692)	3,748
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	23,116	30,794	-	27,692	-
Transfers out	-	(30,794)	(23,116)	(27,692)	-	-
Total other financing sources (uses)	-	(7,678)	7,678	(27,692)	27,692	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(52,766)	10,742	-	6,104	-	3,748
Cash and investments - beginning	62,330	30,794	-	27,692	-	-
Cash and investments - ending	\$ 9,564	\$ 41,536	\$ -	\$ 33,796	\$ -	\$ 3,748
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,564	\$ 41,536	\$ -	\$ 33,796	\$ -	\$ 3,748
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 9,564	\$ 41,536	\$ -	\$ 33,796	\$ -	\$ 3,748
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,564	41,536	-	33,796	-	3,748
Total cash and investment fund balance - ending	\$ 9,564	\$ 41,536	\$ -	\$ 33,796	\$ -	\$ 3,748

SOUTHEAST FOUNTAIN 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)

	Drug Free Schools 2007-2008	Drug Free Schools 2008-2009	Wired Middle School	Wired High School	Department of Workforce Development
Receipts:					
Local sources	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 20,000
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	2,031	2,100	-	-	-
Other	-	-	-	-	-
Total receipts	<u>2,031</u>	<u>2,100</u>	<u>15,000</u>	<u>15,000</u>	<u>20,000</u>
Disbursements:					
Current:					
Instruction	-	1,477	15,000	15,000	21,597
Support services	1,053	777	-	-	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>1,053</u>	<u>2,254</u>	<u>15,000</u>	<u>15,000</u>	<u>21,597</u>
Excess (deficiency) of receipts over disbursements	<u>978</u>	<u>(154)</u>	<u>-</u>	<u>-</u>	<u>(1,597)</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	577	-	-	-
Transfers out	(577)	-	-	-	-
Total other financing sources (uses)	<u>(577)</u>	<u>577</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	401	423	-	-	(1,597)
Cash and investments - beginning	<u>577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 978</u>	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,597)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 978	\$ 423	\$ -	\$ -	\$ (1,597)
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 978</u>	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,597)</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>978</u>	<u>423</u>	<u>-</u>	<u>-</u>	<u>(1,597)</u>
Total cash and investment fund balance - ending	<u>\$ 978</u>	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,597)</u>

SOUTHEAST FOUNTAIN 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)

	Federal Medicaid Reimbursement	Title II, Part A Improving Teacher Quality	Title III Limited English Grant	Fiscal Stabilization 2009 ARRA Act	ARRA 2009 Stimulus
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	60,534	2,171	656,180	56,167
Other	-	-	-	-	-
Total receipts	<u>-</u>	<u>60,534</u>	<u>2,171</u>	<u>656,180</u>	<u>56,167</u>
Disbursements:					
Current:					
Instruction	4,028	63,622	2,171	414,028	-
Support services	-	5,961	-	211,618	-
Noninstructional services	-	-	-	15,229	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	150	-
Total disbursements	<u>4,028</u>	<u>69,583</u>	<u>2,171</u>	<u>641,025</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(4,028)</u>	<u>(9,049)</u>	<u>-</u>	<u>15,155</u>	<u>56,167</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,028)</u>	<u>(9,049)</u>	<u>-</u>	<u>15,155</u>	<u>56,167</u>
Cash and investments - beginning	<u>4,440</u>	<u>13,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 412</u>	<u>\$ 4,003</u>	<u>\$ -</u>	<u>\$ 15,155</u>	<u>\$ 56,167</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 412	\$ 4,003	\$ -	\$ 15,155	\$ 56,167
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 412</u>	<u>\$ 4,003</u>	<u>\$ -</u>	<u>\$ 15,155</u>	<u>\$ 56,167</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>412</u>	<u>4,003</u>	<u>-</u>	<u>15,155</u>	<u>56,167</u>
Total cash and investment fund balance - ending	<u>\$ 412</u>	<u>\$ 4,003</u>	<u>\$ -</u>	<u>\$ 15,155</u>	<u>\$ 56,167</u>

SOUTHEAST FOUNTAIN 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)

	Debt Service	Capital Projects	School Bus Replacement	Construction	Totals
Receipts:					
Local sources	\$ 771,521	\$ 1,006,393	\$ 168,409	\$ -	\$ 3,237,625
Intermediate sources	-	-	-	-	375
State sources	-	-	-	-	173,165
Federal sources	-	-	-	-	1,479,264
Other	-	-	-	-	8,222
Total receipts	771,521	1,006,393	168,409	-	4,898,651
Disbursements:					
Current:					
Instruction	-	-	-	-	1,098,274
Support services	-	451,492	143,104	25,790	1,605,895
Noninstructional services	-	-	-	-	619,607
Facilities acquisition and construction	-	451,213	-	-	451,213
Debt services	807,388	-	-	-	807,388
Nonprogrammed charges	13,093	-	-	-	26,541
Total disbursements	820,481	902,705	143,104	25,790	4,608,918
Excess (deficiency) of receipts over disbursements	(48,960)	103,688	25,305	(25,790)	289,733
Other financing sources (uses):					
Sale of capital assets	-	100	-	-	100
Transfers in	16,175	20,723	3,532	-	182,187
Transfers out	-	(80,484)	-	-	(326,255)
Total other financing sources (uses)	16,175	(59,661)	3,532	-	(143,968)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,785)	44,027	28,837	(25,790)	145,765
Cash and investments - beginning	73,043	-	15,407	67,761	471,561
Cash and investments - ending	<u>\$ 40,258</u>	<u>\$ 44,027</u>	<u>\$ 44,244</u>	<u>\$ 41,971</u>	<u>\$ 617,326</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 44,027	\$ 44,244	\$ 41,971	\$ 577,068
Restricted assets:					
Cash and investments	40,258	-	-	-	40,258
Total cash and investment assets - ending	<u>\$ 40,258</u>	<u>\$ 44,027</u>	<u>\$ 44,244</u>	<u>\$ 41,971</u>	<u>\$ 617,326</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ 40,258	\$ -	\$ -	\$ -	\$ 40,258
Unrestricted	-	44,027	44,244	41,971	577,068
Total cash and investment fund balance - ending	<u>\$ 40,258</u>	<u>\$ 44,027</u>	<u>\$ 44,244</u>	<u>\$ 41,971</u>	<u>\$ 617,326</u>

SOUTHEAST FOUNTAIN 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

	Extra- Curricular Activities	D'Arlier	German Exchange	Dorothy Songer Scholarship	David Sanders Scholarship	Elementary Needy Children	Elementary Pond Project	Totals
Additions:								
Contributions:								
Other	\$ 2,291	\$ -	\$ 19,890	\$ 5,153	\$ 570	\$ 913	\$ -	\$ 28,817
Investment earnings:								
Interest	-	-	-	-	362	-	-	362
Total additions	<u>2,291</u>	<u>-</u>	<u>19,890</u>	<u>5,153</u>	<u>932</u>	<u>913</u>	<u>-</u>	<u>29,179</u>
Deductions:								
Administrative and general	<u>2,291</u>	<u>5,717</u>	<u>19,323</u>	<u>5,108</u>	<u>2,000</u>	<u>159</u>	<u>-</u>	<u>34,598</u>
Excess (deficiency) of total additions over total deductions	-	(5,717)	567	45	(1,068)	754	-	(5,419)
Cash and investment fund balance - beginning	-	6,350	1,454	101,026	7,717	1,551	85	118,183
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 2,021</u>	<u>\$ 101,071</u>	<u>\$ 6,649</u>	<u>\$ 2,305</u>	<u>\$ 85</u>	<u>\$ 112,764</u>
Net assets:								
Cash and investments	\$ -	\$ 633	\$ 2,021	\$ 101,071	\$ 6,649	\$ 2,305	\$ 85	\$ 112,764
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 2,021</u>	<u>\$ 101,071</u>	<u>\$ 6,649</u>	<u>\$ 2,305</u>	<u>\$ 85</u>	<u>\$ 112,764</u>

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	D'Arlier	German Exchange	Dorothy Songer Scholarship	David Sanders Scholarship	Walmart Grant	MAC Grant
Additions:						
Contributions:						
Other	\$ 5,000	\$ 19,300	\$ 2,860	\$ 6,600	\$ 2,000	\$ 415
Investment earnings:						
Interest	-	-	-	143	-	-
Total additions	<u>5,000</u>	<u>19,300</u>	<u>2,860</u>	<u>6,743</u>	<u>2,000</u>	<u>415</u>
Deductions:						
Administrative and general	<u>5,616</u>	<u>16,333</u>	<u>3,905</u>	<u>1,500</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(616)	2,967	(1,045)	5,243	1,000	415
Cash and investment fund balance - beginning	<u>633</u>	<u>2,021</u>	<u>101,071</u>	<u>6,649</u>	<u>-</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 17</u>	<u>\$ 4,988</u>	<u>\$ 100,026</u>	<u>\$ 11,892</u>	<u>\$ 1,000</u>	<u>\$ 415</u>
Net assets:						
Cash and investments	<u>\$ 17</u>	<u>\$ 4,988</u>	<u>\$ 100,026</u>	<u>\$ 11,892</u>	<u>\$ 1,000</u>	<u>\$ 415</u>
Total net assets - cash and investment basis held in trust	<u>\$ 17</u>	<u>\$ 4,988</u>	<u>\$ 100,026</u>	<u>\$ 11,892</u>	<u>\$ 1,000</u>	<u>\$ 415</u>

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Elementary Needy Children	WICF Safety Grant	National Recess Week Grant	Elementary Pond Project	Dynegy Grant	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 700	\$ 10,000	\$ -	\$ 2,495	\$ 49,370
Investment earnings:						
Interest	-	-	-	-	-	143
Total additions	-	700	10,000	-	2,495	49,513
Deductions:						
Administrative and general	446	700	-	-	2,026	31,526
Excess (deficiency) of total additions over total deductions	(446)	-	10,000	-	469	17,987
Cash and investment fund balance - beginning	2,305	-	-	85	-	112,764
Cash and investments - June 30	<u>\$ 1,859</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 85</u>	<u>\$ 469</u>	<u>\$ 130,751</u>
Net assets:						
Cash and investments	\$ 1,859	\$ -	\$ 10,000	\$ 85	\$ 469	\$ 130,751
Total net assets - cash and investment basis held in trust	<u>\$ 1,859</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 85</u>	<u>\$ 469</u>	<u>\$ 130,751</u>

SOUTHEAST FOUNTAIN 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 Clearing</u>
Additions:	
Agency fund additions	\$ <u>1,850,460</u>
Deductions:	
Agency fund deductions	<u>1,850,460</u>
Excess (deficiency) of total additions over total deductions	-
Cash and investment fund balance - beginning	<u>-</u>
Cash and investment fund balance - ending	<u><u>\$ -</u></u>

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

	<u>Payroll Clearing</u>
Additions:	
Agency fund additions	\$ <u>1,791,749</u>
Deductions:	
Agency fund deductions	<u>1,791,749</u>
Excess (deficiency) of total additions over total deductions	-
Cash and investment fund balance - beginning	<u>-</u>
Cash and investment fund balance - ending	<u><u>\$ -</u></u>

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 18,272,021
Improvements other than buildings	1,665,124
Machinery and equipment	<u>2,967,865</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 22,905,010</u>

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Elementary	\$ 3,630,000	\$ 217,000
High School	1,830,000	495,500
Energy Savings	965,695	302,000
Notes and loans payable:		
Common School Loan	<u>187,500</u>	<u>83,438</u>
Total governmental activities debt	<u>\$ 6,613,195</u>	<u>\$ 1,097,938</u>

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Records were not presented for audit to support the ADM claimed by the School Corporation for the 2007-2008 school year. A similar comment was included in prior Report B31714.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

HONORS DIPLOMAS - FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation over-reported, by one student, on the Form 30A the number of honors diplomas issued for the fall of 2007 and under-reported, by one student, for the fall of 2008.

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

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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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 SOUTHEAST FOUNTAIN SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 14, 2010

SOUTHEAST FOUNTAIN 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 07-08 FY 08-09	\$ 49,008 -	\$ - 63,347
National School Lunch Program	10.555	FY 07-08 FY 08-09	226,143 -	- 263,860
Total for cluster			<u>275,151</u>	<u>327,207</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through Purdue University WIA Pilots, Demonstrations and Research Programs	17.261	202096-PLTW	-	<u>30,000</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Special Education Cluster Special Education Grants to States	84.027	14208-62-PN01 14209-62-PN01	258,794 -	- 256,674
Special Education Preschool Grants	84.173	45708-062-PN01 45709-062-PN01	12,559 -	- 13,742
Total for cluster			<u>271,353</u>	<u>270,416</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 08-09	-	<u>641,025</u>
Pass-Through Indiana Department of Education Title I Grants to Local Educational agencies	84.010	07-2455 08-2455 09-2455	7,301 61,064 77,339	- 7,678 152,131
Total for program			<u>145,704</u>	<u>159,809</u>
Pass-Through Indiana Department of Education Title IV, Part A - Safe and Drug Free Schools and Communities - State Grants	84.186	06-2455 07-2455	263 4,481	- 3,307
Total for program			<u>4,744</u>	<u>3,307</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243	PLTW-8-721	-	<u>20,000</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298	07-2455	2,108	-
Pass-Through Wabash Valley Education Center English Language Acquisition Grants	84.365	FY 07-08 FY 08-09	1,940 -	- 2,171
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367	06-2455 07-2455	45,851 26,221	- 69,583
Total for program			<u>72,072</u>	<u>69,583</u>
Total for federal grantor agency			<u>497,921</u>	<u>1,166,311</u>
Total federal awards expended			<u>\$ 773,072</u>	<u>\$ 1,523,518</u>

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

SOUTHEAST FOUNTAIN 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 Southeast Fountain 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	\$ 25,429	\$ 37,454

SOUTHEAST FOUNTAIN 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:

Name of Federal Program or Cluster

Special Education Cluster
State Fiscal Stabilization Fund Cluster

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.

Southeast Fountain School Corporation

744 East U.S. Highway 136
Heedersburg, Indiana 47987-9783

Mr. Corey Austin, Superintendent

Phone: (765) 294-2254
FAX: (765) 294-3200

January 4, 2010

Southeast Fountain School Corporation
Summary Schedule of Prior Audit Findings

Finding Number 2007-1

Original SBA Audit Report Number:	B31714
Fiscal Year	07/01/05 – 06/30/07
Auditee Contact Person	Cynthia C. Alward
Title of Contact Person	Treasurer
Phone Number	765-294-2254

Status of Finding:

We have changed our policy to which each claim/expense applied to Capital Projects Improvements to Sports Facilities are acceptable expenses. I have discussed and provided the acceptable expenses according to Indiana Code 20-40-8-11 with the Superintendent and Athletic Director that could be applied to the Improvements to Sports Facilities account.

Cynthia C. Alward
1/14/10

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 14, 2010, with Cynthia C. Alward, Treasurer; Tammy L. Allen, Deputy Treasurer; Corey Austin, Superintendent of Schools; and Gary B. Pate, School Board member. The officials concurred with our audit findings.