

B37116

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

EXAMINATION REPORT

OF

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION

DUBOIS COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
06/11/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruth Leistner	07-01-07 to 6-30-10
Superintendent of Schools	Dan Balka	07-01-07 to 6-30-10
President of the School Board	Mary Pankey	07-01-07 to 6-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

We have examined the financial statement presented herein of the Northeast Dubois County School Corporation (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial statement presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial statement of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedules, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial statement. The Combining Schedules have been subjected to the examination procedures applied in the examination 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 examination procedures applied to the basic financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 24, 2010

NORTHEAST DUBOIS COUNTY 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,628,696	\$ -	\$ 59,517	\$ (4,569,179)
Support services	2,956,657	332,352	148,466	(2,475,839)
Noninstructional services	198,108	-	-	(198,108)
Facilities acquisition and construction	242,105	-	-	(242,105)
Debt service	1,526,425	-	-	(1,526,425)
Nonprogrammed charges	156,439	-	-	(156,439)
Total governmental activities	<u>\$ 9,708,430</u>	<u>\$ 332,352</u>	<u>\$ 207,983</u>	<u>(9,168,095)</u>
General receipts:				
Property taxes				2,122,521
Other local sources				525,973
State aid				3,312,577
Bonds and loans				1,300,000
Grants and contributions not restricted to specific programs				64,460
Investment earnings				77,112
Other				<u>721</u>
Total general receipts				<u>7,403,364</u>
Change in net assets				(1,764,731)
Net assets - beginning				<u>2,968,252</u>
Net assets - ending				<u>\$ 1,203,521</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,203,521</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,203,521</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,710,828	\$ -	\$ 49,077	\$ (4,661,751)
Support services	3,362,847	459,306	141,808	(2,761,733)
Noninstructional services	219,953	-	-	(219,953)
Facilities acquisition and construction	125,240	-	-	(125,240)
Debt service	2,244,087	-	-	(2,244,087)
Nonprogrammed charges	131,809	-	-	(131,809)
Total governmental activities	<u>\$ 10,794,764</u>	<u>\$ 459,306</u>	<u>\$ 190,885</u>	<u>(10,144,573)</u>
General receipts:				
Property taxes				5,139,704
Other local sources				653,085
State aid				4,165,502
Grants and contributions not restricted to specific programs				607,235
Investment earnings				45,454
Other				4,951
Total general receipts				<u>10,615,931</u>
Change in net assets				471,358
Net assets - beginning				<u>1,203,521</u>
Net assets - ending				<u>\$ 1,674,879</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,674,879</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,674,879</u>

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

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

	General	Rainy Day	School Lunch	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 1,334,309	\$ -	\$ 272,382	\$ 476,108	\$ 974,852	\$ 3,057,651
Intermediate sources	232	-	-	-	75	307
State sources	3,341,564	-	7,949	-	70,529	3,420,042
Federal sources	-	-	121,106	-	43,872	164,978
Temporary loans	1,300,000	-	-	-	-	1,300,000
Other	-	-	-	721	-	721
Total receipts	5,976,105	-	401,437	476,829	1,089,328	7,943,699
Disbursements:						
Current:						
Instruction	4,087,754	502,340	-	-	38,602	4,628,696
Support services	1,277,639	70,449	163,682	568,529	876,358	2,956,657
Noninstructional services	6,279	-	191,829	-	-	198,108
Facilities acquisition and construction	-	-	-	242,105	-	242,105
Debt services	600,000	-	-	-	926,425	1,526,425
Nonprogrammed charges	156,439	-	-	-	-	156,439
Total disbursements	6,128,111	572,789	355,511	810,634	1,841,385	9,708,430
Excess (deficiency) of receipts over disbursements	(152,006)	(572,789)	45,926	(333,805)	(752,057)	(1,764,731)
Other financing sources (uses):						
Transfers in	15,075	80,000	-	549	66,407	162,031
Transfers out	(31,662)	-	-	(11,674)	(118,695)	(162,031)
Total other financing sources (uses)	(16,587)	80,000	-	(11,125)	(52,288)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(168,593)	(492,789)	45,926	(344,930)	(804,345)	(1,764,731)
Cash and investments - beginning	997,754	958,157	98,818	483,145	430,378	2,968,252
Cash and investments - ending	\$ 829,161	\$ 465,368	\$ 144,744	\$ 138,215	\$ (373,967)	\$ 1,203,521
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 829,161	\$ 465,368	\$ 144,744	\$ 138,215	\$ (15,672)	\$ 1,561,816
Restricted assets:						
Cash and investments	-	-	-	-	(358,295)	(358,295)
Total cash and investment assets - ending	\$ 829,161	\$ 465,368	\$ 144,744	\$ 138,215	\$ (373,967)	\$ 1,203,521
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(358,295)	(358,295)
Unrestricted	829,161	465,368	144,744	138,215	(15,672)	1,561,816
Total cash and investment fund balance - ending	\$ 829,161	\$ 465,368	\$ 144,744	\$ 138,215	\$ (373,967)	\$ 1,203,521

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

NORTHEAST DUBOIS COUNTY 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	School Lunch	ARRA - Fiscal Stabilization	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 2,468,895	\$ -	\$ 303,809	\$ -	\$ 1,040,946	\$ 2,483,536	\$ 6,297,186
Intermediate sources	232	-	-	-	-	131	363
State sources	4,189,135	-	7,995	-	-	133,318	4,330,448
Federal sources	-	-	116,777	488,861	-	27,536	633,174
Other	-	-	-	-	4,951	-	4,951
Total receipts	6,658,262	-	428,581	488,861	1,045,897	2,644,521	11,266,122
Disbursements:							
Current:							
Instruction	4,384,889	241,891	-	-	-	84,048	4,710,828
Support services	1,481,324	72,658	204,802	-	824,628	779,435	3,362,847
Noninstructional services	8,782	-	211,171	-	-	-	219,953
Facilities acquisition and construction	-	-	-	-	125,240	-	125,240
Debt services	1,300,000	-	-	-	-	944,087	2,244,087
Nonprogrammed charges	101,214	-	-	-	10,152	20,443	131,809
Total disbursements	7,276,209	314,549	415,973	-	960,020	1,828,013	10,794,764
Excess (deficiency) of receipts over disbursements	(617,947)	(314,549)	12,608	488,861	85,877	816,508	471,358
Other financing sources (uses):							
Transfers in	65,165	295,000	-	-	-	12	360,177
Transfers out	(12)	-	-	-	-	(360,165)	(360,177)
Total other financing sources (uses)	65,153	295,000	-	-	-	(360,153)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(552,794)	(19,549)	12,608	488,861	85,877	456,355	471,358
Cash and investments - beginning	829,161	465,368	144,744	-	138,215	(373,967)	1,203,521
Cash and investments - ending	\$ 276,367	\$ 445,819	\$ 157,352	\$ 488,861	\$ 224,092	\$ 82,388	\$ 1,674,879
Cash and Investment Assets - Ending							
Cash and investments	\$ 276,367	\$ 445,819	\$ 157,352	\$ 488,861	\$ 224,092	\$ 166,426	\$ 1,758,917
Restricted assets:							
Cash and investments	-	-	-	-	-	(84,038)	(84,038)
Total cash and investment assets - ending	\$ 276,367	\$ 445,819	\$ 157,352	\$ 488,861	\$ 224,092	\$ 82,388	\$ 1,674,879
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (84,038)	\$ (84,038)
Unrestricted	276,367	445,819	157,352	488,861	224,092	166,426	1,758,917
Total cash and investment fund balance - ending	\$ 276,367	\$ 445,819	\$ 157,352	\$ 488,861	\$ 224,092	\$ 82,388	\$ 1,674,879

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 24	\$ -	
Other	-	4,000	
Total additions	24	4,000	
Deductions:			
Administrative and general	-	5,000	
Excess (deficiency) of total additions over total deductions	24	(1,000)	
Cash and investment fund balance - beginning	2,519	1,600	
Cash and investment fund balance - ending	\$ 2,543	\$ 600	\$ 15,015
Net assets:			
Cash and investments	\$ 2,543	\$ 600	\$ 15,015
Total net assets - cash and investment basis held in trust	\$ 2,543	\$ 600	\$ 15,015

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 8,000	
Deductions:			
Administrative and general	-	8,000	
Excess (deficiency) of total additions over total deductions	-	-	
Cash and investment fund balance - beginning	<u>2,543</u>	<u>600</u>	
Cash and investment fund balance - ending	<u>\$ 2,543</u>	<u>\$ 600</u>	<u>\$ 13,763</u>
Net assets:			
Cash and investments	<u>\$ 2,543</u>	<u>\$ 600</u>	<u>\$ 13,763</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,543</u>	<u>\$ 600</u>	<u>\$ 13,763</u>

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

NORTHEAST DUBOIS COUNTY 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: Northeast Dubois County 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 in a joint venture to operate Dubois-Spencer-Perry Exceptional Children's Cooperative which was created to provide programs and services for exceptional children. The Dubois-Spencer-Perry Exceptional Children's Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Dubois-Spencer-Perry Exceptional Children's Cooperative can be obtained from Greater Jasper Consolidated Schools, 1520 St. Charles Street, Jasper, IN 47546.

The School Corporation is a participant in a joint venture to operate Area Vocational Program – District 47 which was created to provide vocational education needs of students. The Area Vocational Program – District 47's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Area Vocational Program – District 47 can be obtained from Greater Jasper Consolidated Schools, 1520 St. Charles Street, Jasper, IN 47546.

The School Corporation is a participant in a joint venture to operate Southern Indiana Education Center (SIEC) which was created to operate and maintain an educational service center in order to allow participating school corporations to cooperate and share certain programs and services. The Southern Indiana Education Center (SIEC)'s continued existence depends on continued funding by the School Corporation. Complete financial statements for the Southern Indiana Education Center (SIEC) can be obtained from Southwest Dubois County School Corporation, 113 Jackson Street, Huntingburg, IN 47542.

The School Corporation is a participant with 10 other school corporations in a joint venture to operate the Southern Indiana School Trust which was created to provide group self-insurance coverage for its participants. The School Corporation is obligated to remit monthly premiums based on the type of coverage maintained by each employee. The Southwest Dubois County School Corporation provides the treasury function for the trust and has responsibility for the accountability of all fiscal matters. Complete financial statements for the Southern Indiana School Trust can be obtained from Southwest Dubois County School Corporation, 113 Jackson Street, Huntingburg, IN 47542.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, 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 capital projects fund accounts for planned construction, repair, replacement or remodeling of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

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

The school lunch fund accounts for receipts and disbursements related to the food service program.

ARRA - fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the school cooperation in a trustee capacity.

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 special projects, cafeteria payroll, and employee payroll withholdings of the School Corporation.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. 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.

5. Long-Term Debt

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

6. 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."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund 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 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.

NORTHEAST DUBOIS COUNTY 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and 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 January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, 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.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Disbursements in Excess of Appropriations

For the years ended December 31, 2008 and 2009, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2008
Severance Bond Debt	\$ <u>1,540</u>

These disbursements were funded by available fund balances.

C. Cash and Investment Balance Deficits

At December 31, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
Transportation Operating	\$ (236,065)	\$ (89,892)
Debt Service	(269,582)	-
Severance Bond Debt	(88,713)	(86,932)
Federal Medicaid	(12)	-
Extra Curricular Clearing	-	(354)
School Lunch Clearing	-	(960)

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

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 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 December 31, 2009, the School Corporation had deposit balances in the amount of \$1,691,785.

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.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
General Fund	Capital Projects Fund	\$ 549	\$ -
General Fund	Other governmental funds	31,113	12
Capital Projects Fund	Other governmental funds	11,674	-
Other governmental funds	General Fund	15,075	65,165
Other governmental funds	Rainy Day Fund	80,000	295,000
Other governmental funds	Other governmental funds	23,620	-
Totals		<u>\$ 162,031</u>	<u>\$ 360,177</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by fund type.

Fund Type	Balance as Reported June 30, 2007	Fund Reclassification	Balance as Restated July 1, 2007
Governmental	\$ 2,968,852	\$ (600)	\$ 2,968,252
Private-Purpose Trust	1,000	600	1,600

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 risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

During 1999, the School Corporation joined with other governmental entities to form the Hoosier Heartland School Trust, a public entity risk pool currently operating as a common risk management and insurance program for seven member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for its medical benefits to employees' coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured event.

B. Holding Corporation

The School Corporation has entered into a capital lease with Northeast Dubois County Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2008 and 2009 totaled \$530,535 and \$537,468, respectively.

C. Termination Benefits

1. For teachers and administrators who retired prior to the issuance of the 2004 General Obligation Pension Bonds, the School Corporation provides retirement benefits to teachers and administrators who retire from the School Corporation on or after attaining age 50 with at least 20 years of service with the last 10 years being served in the Northeast Dubois County School Corporation. Those eligible shall receive $\frac{1}{2}$ the difference between the base salary of the retiree and the base salary of a beginning teacher at the time of retirement. Disbursements for those postemployment early retirement benefits are recognized on a pay-as-you-go basis. During the years ended June 30, 2008 and 2009, disbursements of \$115,579 for 10 retirees and \$106,895 for 8 retirees, respectively were recognized for postemployment early retirement benefits.
2. The School Corporation provides the following early retirement benefits to teachers and administrators who did not retire under the old plan. Each teacher and administrator receives $\frac{1}{2}\%$ percent of their base salary and up to an additional $\frac{1}{2}\%$ of their base salary as a matching contribution to what the teacher or administrator has contributed into a 403(b) account to be paid into an individual 401(a) plan. The individual's on-going 401(a) plan account contributions will be vested at the completion of four years of service with the School Corporation. During 2007-2008 and 2008-2009, the School Corporation contributed \$44,086 for 2 teachers and \$0, respectively, into the 401(a) accounts.
3. If teachers and administrators retire after the attainment of age 55 with 20 years of service with the last 10 years of service being with the School Corporation, they are eligible to receive an additional payment into the individuals 401(a) plan a lump-sum amount equal to $\frac{1}{2}$ the difference between the base salary of the retiree and the base salary of a beginning teacher times a factor equal to the difference between the teacher's actual retirement age and 57, less a reduction for the FICA discount. During 2007-2008 and 2008-2009, the School Corporation contributed \$2,595 for 8 teachers and administrators and \$4,338 for 14 teachers and administrators, respectively, into the 401(a) accounts.
4. The School Corporation also contributes into the 401(a) plan of teachers and administrators either \$75 or \$150 per year for limited use of leave days depending on the number of leave days taken. During 2007-2008 and 2008-2009, the School Corporation contributed \$3,750 for 28 teachers and administrators and \$0, respectively, into the 401(a) accounts.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Other Postemployment Benefits

1. For teachers and administrators who retired prior to the issuance of the 2004 General Obligation Pension Bonds, the School Corporation provides postemployment health, dental, vision, and life insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 50 with at least 20 years of service with the last 10 years being served in the Northeast Dubois County School Corporation. The School Corporation provides up to \$3,000 for these postemployment benefits. According to an addendum to administrator's contracts, the School Corporation will pay all but \$1 for family or single health, dental, vision, and life insurance benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the years ended June 30, 2008, and 2009 disbursements of \$31,930 for 8 retirees and \$23,610 for 7 retirees, respectively, were recognized for postemployment benefits.

2. Defined Contribution Healthcare Plan

Plan Description

Northeast Dubois County School Corporation Healthcare Plan is a defined contribution healthcare plan administered by MetLife. The plan provides medical, dental, vision, and life insurance benefits to eligible retirees and their spouses. Indiana Code 5-10-08 assigns the authority to establish and amend benefit provisions to the School Corporation.

Funding Policy

The contribution requirements of plan members for the Northeast Dubois County School Corporation Healthcare Plan are established by the School Corporation's governing board. The required contribution is \$0. For the year ended December 31, 2009, the School Corporation contributed \$3,733 to the plan.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period ending June 30, 2008 were \$81,905.

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation's contributions to the plan during the years ended June 30, 2008 and 2009, totaled \$56,061 and \$64,095, respectively.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,178,542	\$ 1,314,907	\$ (136,365)	90%	\$ 1,003,121	(14%)
07-01-07	1,366,063	1,465,247	(99,184)	93%	994,398	(10%)
07-01-08	1,428,972	1,518,755	(89,783)	94%	1,056,863	(8%)

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

	Transportation Operating	Special Education Preschool	Textbook Rental	Levy Excess	Education License Plate	Safe Haven Grant	Gifted and Talented
Receipts:							
Local sources	\$ 338,305	\$ 3,597	\$ 116,261	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	75	-	-
State sources	-	19,831	19,411	-	-	757	29,395
Federal sources	-	-	-	-	-	-	-
Total receipts	338,305	23,428	135,672	-	75	757	29,395
Disbursements:							
Current:							
Instruction	-	3,498	-	-	-	-	17,201
Support services	699,000	-	172,447	-	1,104	-	304
Debt services	-	-	-	-	-	-	-
Total disbursements	699,000	3,498	172,447	-	1,104	-	17,505
Excess (deficiency) of receipts over disbursements	(360,695)	19,930	(36,775)	-	(1,029)	757	11,890
Other financing sources (uses):							
Transfers in	450	5	-	64,030	-	-	-
Transfers out	(8,846)	(94)	-	(7,146)	-	-	(7,929)
Total other financing sources (uses)	(8,396)	(89)	-	56,884	-	-	(7,929)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(369,091)	19,841	(36,775)	56,884	(1,029)	757	3,961
Cash and investments - beginning	133,026	6,597	113,565	7,146	2,306	-	6,365
Cash and investments - ending	\$ (236,065)	\$ 26,438	\$ 76,790	\$ 64,030	\$ 1,277	\$ 757	\$ 10,326
Cash and Investment Assets - Ending							
Cash and investments	\$ (236,065)	\$ 26,438	\$ 76,790	\$ 64,030	\$ 1,277	\$ 757	\$ 10,326
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (236,065)	\$ 26,438	\$ 76,790	\$ 64,030	\$ 1,277	\$ 757	\$ 10,326
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(236,065)	26,438	76,790	64,030	1,277	757	10,326
Total cash and investment fund balance - ending	\$ (236,065)	\$ 26,438	\$ 76,790	\$ 64,030	\$ 1,277	\$ 757	\$ 10,326

NORTHEAST DUBOIS COUNTY 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)

	State Medicaid	Non-English Speaking	Pilot Program	Title I	Title VI	Title V	Drug Free Schools
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	1,135	-	-	-	-	-
Federal sources	-	-	-	21,913	-	-	1,867
Total receipts	-	1,135	-	21,913	-	-	1,867
Disbursements:							
Current:							
Instruction	-	-	-	15,902	-	-	2,001
Support services	1,423	-	-	-	881	985	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,423	-	-	15,902	881	985	2,001
Excess (deficiency) of receipts over disbursements	(1,423)	1,135	-	6,011	(881)	(985)	(134)
Other financing sources (uses):							
Transfers in	-	-	-	-	1,231	-	-
Transfers out	-	-	-	-	-	(1,231)	-
Total other financing sources (uses)	-	-	-	-	1,231	(1,231)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,423)	1,135	-	6,011	350	(2,216)	(134)
Cash and investments - beginning	1,423	295	3,829	3,354	-	2,216	1,781
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,430</u>	<u>\$ 3,829</u>	<u>\$ 9,365</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 1,647</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,430	\$ 3,829	\$ 9,365	\$ 350	\$ -	\$ 1,647
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,430</u>	<u>\$ 3,829</u>	<u>\$ 9,365</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 1,647</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,430	3,829	9,365	350	-	1,647
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,430</u>	<u>\$ 3,829</u>	<u>\$ 9,365</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 1,647</u>

NORTHEAST DUBOIS COUNTY 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)

	Federal Medicaid	Improving Teacher Quality	Debt Service	Severance Bond Debt	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 324,495	\$ 138,773	\$ 53,421	\$ 974,852
Intermediate sources	-	-	-	-	-	75
State sources	-	-	-	-	-	70,529
Federal sources	-	20,092	-	-	-	43,872
Total receipts	-	20,092	324,495	138,773	53,421	1,089,328
Disbursements:						
Current:						
Instruction	-	-	-	-	-	38,602
Support services	214	-	-	-	-	876,358
Debt services	-	-	561,015	365,410	-	926,425
Total disbursements	214	-	561,015	365,410	-	1,841,385
Excess (deficiency) of receipts over disbursements	(214)	20,092	(236,520)	(226,637)	53,421	(752,057)
Other financing sources (uses):						
Transfers in	-	-	461	192	38	66,407
Transfers out	-	-	(38,427)	(3,628)	(51,394)	(118,695)
Total other financing sources (uses)	-	-	(37,966)	(3,436)	(51,356)	(52,288)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(214)	20,092	(274,486)	(230,073)	2,065	(804,345)
Cash and investments - beginning	202	-	4,904	141,360	2,009	430,378
Cash and investments - ending	<u>\$ (12)</u>	<u>\$ 20,092</u>	<u>\$ (269,582)</u>	<u>\$ (88,713)</u>	<u>\$ 4,074</u>	<u>\$ (373,967)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (12)	\$ 20,092	\$ -	\$ -	\$ 4,074	\$ (15,672)
Restricted assets:						
Cash and investments	-	-	(269,582)	(88,713)	-	(358,295)
Total cash and investment assets - ending	<u>\$ (12)</u>	<u>\$ 20,092</u>	<u>\$ (269,582)</u>	<u>\$ (88,713)</u>	<u>\$ 4,074</u>	<u>\$ (373,967)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (269,582)	\$ (88,713)	\$ -	\$ (358,295)
Unrestricted	(12)	20,092	-	-	4,074	(15,672)
Total cash and investment fund balance - ending	<u>\$ (12)</u>	<u>\$ 20,092</u>	<u>\$ (269,582)</u>	<u>\$ (88,713)</u>	<u>\$ 4,074</u>	<u>\$ (373,967)</u>

NORTHEAST DUBOIS COUNTY 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

	Supplemental Fees	Transportation Operating	Special Education Preschool	Textbook Rental	Levy Excess	Education License Plate	Safe Haven Grant
Receipts:							
Local sources	\$ 18,746	\$ 805,631	\$ 7,066	\$ 96,469	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	131	-
State sources	-	-	24,313	17,036	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	18,746	805,631	31,379	113,505	-	131	-
Disbursements:							
Current:							
Instruction	15,346	-	18,515	-	-	-	-
Support services	-	639,015	-	93,632	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	20,443	-	-	-	-	-
Total disbursements	15,346	659,458	18,515	93,632	-	-	-
Excess (deficiency) of receipts over disbursements	3,400	146,173	12,864	19,873	-	131	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(64,030)	-	-
Total other financing sources (uses)	-	-	-	-	(64,030)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,400	146,173	12,864	19,873	(64,030)	131	-
Cash and investments - beginning	-	(236,065)	26,438	76,790	64,030	1,277	757
Cash and investments - ending	\$ 3,400	\$ (89,892)	\$ 39,302	\$ 96,663	\$ -	\$ 1,408	\$ 757
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,400	\$ (89,892)	\$ 39,302	\$ 96,663	\$ -	\$ 1,408	\$ 757
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,400	\$ (89,892)	\$ 39,302	\$ 96,663	\$ -	\$ 1,408	\$ 757
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,400	(89,892)	39,302	96,663	-	1,408	757
Total cash and investment fund balance - ending	\$ 3,400	\$ (89,892)	\$ 39,302	\$ 96,663	\$ -	\$ 1,408	\$ 757

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Gifted and Talented	Non-English Speaking	Technology Planning Grant	Pilot Program	Title I	Fund Title VI	Drug Free Schools
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	29,395	1,049	61,525	-	-	-	-
Federal sources	-	-	-	-	26,143	1,393	-
Total receipts	29,395	1,049	61,525	-	26,143	1,393	-
Disbursements:							
Current:							
Instruction	25,674	-	-	-	22,977	-	1,536
Support services	1,370	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	27,044	-	-	-	22,977	-	1,536
Excess (deficiency) of receipts over disbursements	2,351	1,049	61,525	-	3,166	1,393	(1,536)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(1,135)	-	-	-	-	-
Total other financing sources (uses)	-	(1,135)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,351	(86)	61,525	-	3,166	1,393	(1,536)
Cash and investments - beginning	10,326	1,430	-	3,829	9,365	350	1,647
Cash and investments - ending	<u>\$ 12,677</u>	<u>\$ 1,344</u>	<u>\$ 61,525</u>	<u>\$ 3,829</u>	<u>\$ 12,531</u>	<u>\$ 1,743</u>	<u>\$ 111</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 12,677	\$ 1,344	\$ 61,525	\$ 3,829	\$ 12,531	\$ 1,743	\$ 111
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 12,677	\$ 1,344	\$ 61,525	\$ 3,829	\$ 12,531	\$ 1,743	\$ 111
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,677	1,344	61,525	3,829	12,531	1,743	111
Total cash and investment fund balance - ending	\$ 12,677	\$ 1,344	\$ 61,525	\$ 3,829	\$ 12,531	\$ 1,743	\$ 111

NORTHEAST DUBOIS COUNTY 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	Improving Teacher Quality	Debt Service	Severance Bond Debt	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 1,040,357	\$ 372,987	\$ 142,280	\$ 2,483,536
Intermediate sources	-	-	-	-	-	131
State sources	-	-	-	-	-	133,318
Federal sources	-	-	-	-	-	27,536
Total receipts	-	-	1,040,357	372,987	142,280	2,644,521
Disbursements:						
Current:						
Instruction	-	-	-	-	-	84,048
Support services	-	-	-	-	45,418	779,435
Debt services	-	-	572,881	371,206	-	944,087
Nonprogrammed charges	-	-	-	-	-	20,443
Total disbursements	-	-	572,881	371,206	45,418	1,828,013
Excess (deficiency) of receipts over disbursements	-	-	467,476	1,781	96,862	816,508
Other financing sources (uses):						
Transfers in	12	-	-	-	-	12
Transfers out	-	-	(195,000)	-	(100,000)	(360,165)
Total other financing sources (uses)	12	-	(195,000)	-	(100,000)	(360,153)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12	-	272,476	1,781	(3,138)	456,355
Cash and investments - beginning	(12)	20,092	(269,582)	(88,713)	4,074	(373,967)
Cash and investments - ending	\$ -	\$ 20,092	\$ 2,894	\$ (86,932)	\$ 936	\$ 82,388
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 20,092	\$ -	\$ -	\$ 936	\$ 166,426
Restricted assets:						
Cash and investments	-	-	2,894	(86,932)	-	(84,038)
Total cash and investment assets - ending	\$ -	\$ 20,092	\$ 2,894	\$ (86,932)	\$ 936	\$ 82,388
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 2,894	\$ (86,932)	\$ -	\$ (84,038)
Unrestricted	-	20,092	-	-	936	166,426
Total cash and investment fund balance - ending	\$ -	\$ 20,092	\$ 2,894	\$ (86,932)	\$ 936	\$ 82,388

NORTHEAST DUBOIS COUNTY 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

	Donations, Gifts, and Trusts	Scholarship	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 4,000	\$ 4,000
Deductions:			
Administrative and general	-	5,000	5,000
Deficiency of total additions over total deductions	-	(1,000)	(1,000)
Cash and investment fund balance - beginning	600	1,000	1,600
Cash and investments - June 30	\$ 600	\$ -	\$ 600
Net assets:			
Cash and investments	\$ 600	\$ -	\$ 600
Total net assets - cash and investment basis held in trust	\$ 600	\$ -	\$ 600

NORTHEAST DUBOIS COUNTY 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

	<u>Donations, Gifts, and Trusts</u>	<u>Scholarship</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ -	\$ 8,000	\$ 8,000
	<u> </u>	<u> </u>	<u> </u>
Deductions:			
Administrative and general	-	8,000	8,000
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of total additions over total deductions	-	-	-
Cash and investment fund balance - beginning	<u>600</u>	<u>-</u>	<u>600</u>
Cash and Investments - June 30	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 600</u>
Net assets:			
Cash and investments	\$ 600	\$ -	\$ 600
	<u> </u>	<u> </u>	<u> </u>
Total net assets - cash and investment basis held in trust	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 600</u>

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

	Extra-Curricular Clearing	School Lunch Clearing	Payroll Withholdings	Totals
Additions:				
Agency fund additions	\$ 6,618	\$ 269,933	\$ 1,842,365	\$ 2,118,916
Deductions:				
Agency fund deductions	6,066	269,933	1,839,889	2,115,888
Excess of total additions over total deductions	552	-	2,476	3,028
Cash and investment fund balance - beginning	(392)	-	12,379	11,987
Cash and investment fund balance - ending	\$ 160	\$ -	\$ 14,855	\$ 15,015

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

	<u>Extra-Curricular Clearing</u>	<u>School Lunch Clearing</u>	<u>Payroll Withholdings</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 9,218	\$ 282,013	\$ 1,930,878	\$ 2,222,109
Deductions:				
Agency fund deductions	<u>9,732</u>	<u>282,973</u>	<u>1,930,656</u>	<u>2,223,361</u>
Excess (deficiency) of total additions over total deductions	(514)	(960)	222	(1,252)
Cash and investment fund balance - beginning	<u>160</u>	<u>-</u>	<u>14,855</u>	<u>15,015</u>
Cash and investment fund balance - ending	<u>\$ (354)</u>	<u>\$ (960)</u>	<u>\$ 15,077</u>	<u>\$ 13,763</u>

NORTHEAST DUBOIS COUNTY 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:	
Land	\$ 143,272
Buildings	14,070,555
Improvements other than buildings	962,006
Transportation and equipment	1,872,764
Technology equipment	<u>1,153,099</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 18,201,696</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Middle School Building	\$ 4,260,000	\$ 537,971
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds, Retirement	<u>3,945,000</u>	<u>368,106</u>
Total governmental activities debt	<u>\$ 8,205,000</u>	<u>\$ 906,077</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$381.89 were paid to the United States Treasury on September 18, 2007, for taxes due for the period 2004.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Severance Bond Debt	2008	<u>\$ 1,540</u>

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

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating, Debt Service, Severance Bond Debt, and Federal Medicaid Funds were overdrawn in 2008 and 2009.

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

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

REPAYMENTS AND TRANSFERS (Applies to Celestine Elementary)

The former Celestine Elementary Extra-Curricular Treasurer transferred \$5,000 on February 1, 2007, from the Instructional Fund (Textbook Rental) to the General Fund (Student Activity) for cash flow purposes. Also, the former Extra-Curricular Treasurer erroneously deposited \$1,831 and \$1,302.25 of Instructional Fund receipts into the General Fund on May 5, 2006 and May 18, 2007, respectively. The amount had not been reimbursed to the Instructional Fund as of June 30, 2009.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ECA DEPOSITS (Applies to Dubois Middle School ECA)

Receipts, as follows, were not always deposited within a reasonable time:

1. Athletic receipts for admissions and concessions, in some instances, were held for periods in excess of two weeks before depositing and, in some cases, accumulated to over \$2,000 before a deposit was made.
2. Textbook rental receipts, in some instances, were held for periods up to one week before depositing and, in some cases, accumulated to over \$14,000 before a deposit was made.

IC 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

PENALTIES, INTEREST, AND OTHER CHARGES (Applies to Dubois Middle School ECA)

Information presented for examination indicates that, in some cases, amounts payable to vendors and other suppliers of goods and services are not being paid until after the due date.

Penalties and interest totaling \$45 were paid to Wal-Mart during the examination period.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2010, with Dan Balka, Superintendent of Schools; and Ruth Leistner, Treasurer. The officials concurred with our findings.