

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

AUDIT REPORT
OF
BEECH GROVE CITY SCHOOLS
MARION COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
02/28/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-28
Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Fund	29-30
Schedule of Long-Term Debt	31
Audit Results and Comments:	
Mileage Reimbursement.....	32
Textbook Rental Charges and Student Fees	32
Extra-Curricular Disbursements	32
Supplemental Audit of Federal Awards:	
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.....	34-35
Schedule of Expenditures of Federal Awards	36
Notes to Schedule of Expenditures of Federal Awards.....	37
Schedule of Findings and Questioned Costs	38
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	39
Exit Conference.....	40

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janice Whitman	07-01-08 to 06-30-11
Superintendent of Schools	Dr. Paul Kaiser	07-01-08 to 06-30-11
President of the School Board	Melody Stevens Rick Skirvin Jannis King	07-01-08 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



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AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE BEECH GROVE CITY SCHOOLS, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beech Grove City Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 12, 2011, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

STATE BOARD OF ACCOUNTS

January 12, 2011



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 BEECH GROVE CITY SCHOOLS, MARION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beech Grove City Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 12, 2011. 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 12, 2011

BEECH GROVE CITY SCHOOLS
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	\$ 11,573,187	\$ -	\$ 294,046	\$ (11,279,141)
Support services	7,424,201	383,866	663,810	(6,376,525)
Noninstructional services	1,097,716	-	-	(1,097,716)
Facilities acquisition and construction	1,585,921	-	-	(1,585,921)
Debt service	8,595,056	-	-	(8,595,056)
Nonprogrammed charges	<u>1,045,135</u>	<u>-</u>	<u>-</u>	<u>(1,045,135)</u>
Total governmental activities	<u>\$ 31,321,216</u>	<u>\$ 383,866</u>	<u>\$ 957,856</u>	<u>(29,979,494)</u>
General receipts:				
Property taxes				7,344,862
Other local sources				1,002,206
State aid				11,299,358
Bonds and loans				5,212,112
Grants and contributions not restricted to specific programs				3,036,335
Sale of property				10,000
Investment earnings				34,390
Other				<u>89,254</u>
Total general receipts				<u>28,028,517</u>
Change in net assets				(1,950,977)
Net assets - beginning				<u>4,971,469</u>
Net assets - ending				<u>\$ 3,020,492</u>
<u>Assets</u>				
Cash and investments				\$ 2,534,271
Restricted assets:				
Cash and investments				<u>486,221</u>
Total assets				<u>\$ 3,020,492</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 486,221
Unrestricted				<u>2,534,271</u>
Total net assets				<u>\$ 3,020,492</u>

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

BEECH GROVE CITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<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	\$ 12,073,396	\$ -	\$ 262,635	\$ (11,810,761)
Support services	6,697,879	370,312	761,217	(5,566,350)
Noninstructional services	1,080,029	-	-	(1,080,029)
Facilities acquisition and construction	604,077	-	-	(604,077)
Debt service	10,487,769	-	-	(10,487,769)
Nonprogrammed charges	<u>1,928,357</u>	<u>-</u>	<u>-</u>	<u>(1,928,357)</u>
Total governmental activities	<u>\$ 32,871,507</u>	<u>\$ 370,312</u>	<u>\$ 1,023,852</u>	<u>(31,477,343)</u>
General receipts:				
Property taxes				11,676,152
Other local sources				1,523,226
State aid				13,995,780
Bonds and loans				2,729,679
Grants and contributions not restricted to specific programs				2,935,711
Sale of property				6,700
Investment earnings				2,537
Other				<u>161,417</u>
Total general receipts				<u>33,031,202</u>
Change in net assets				1,553,859
Net assets - beginning				<u>3,020,492</u>
Net assets - ending				<u>\$ 4,574,351</u>
<u>Assets</u>				
Cash and investments				\$ 2,514,957
Restricted assets:				
Cash and investments				<u>2,059,394</u>
Total assets				<u>\$ 4,574,351</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,059,394
Unrestricted				<u>2,514,957</u>
Total net assets				<u>\$ 4,574,351</u>

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

BEECH GROVE CITY SCHOOLS
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	School Lunch	Fiscal Stabilization - Education (Stimulus)	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 2,969,585	\$ 376,153	\$ -	\$ 2,454,369	\$ 1,269,771	\$ 1,695,446	\$ 8,765,324
State sources	11,537,359	7,821	-	-	-	1,403,976	12,949,156
Federal sources	-	561,837	1,205,333	-	-	577,223	2,344,393
Temporary loans	-	-	-	3,114,376	1,316,216	781,520	5,212,112
Other	35,542	375	-	-	31,999	21,338	89,254
Total receipts	14,542,486	946,186	1,205,333	5,568,745	2,617,986	4,479,503	29,360,239
Disbursements:							
Current:							
Instruction	9,934,152	-	671,624	-	-	967,411	11,573,187
Support services	3,522,799	1,975	114,936	-	1,126,435	2,658,056	7,424,201
Noninstructional services	270,399	827,317	-	-	-	-	1,097,716
Facilities acquisition and construction	-	-	-	-	1,014,549	571,372	1,585,921
Debt services	2,099,536	-	-	4,781,474	655,819	1,058,227	8,595,056
Nonprogrammed charges	1,045,135	-	-	-	-	-	1,045,135
Total disbursements	16,872,021	829,292	786,560	4,781,474	2,796,803	5,255,066	31,321,216
Excess (deficiency) of receipts over disbursements	(2,329,535)	116,894	418,773	787,271	(178,817)	(775,563)	(1,960,977)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	10,000	10,000
Transfers in	-	-	-	-	-	850,000	850,000
Transfers out	-	-	-	(750,000)	-	(100,000)	(850,000)
Total other financing sources (uses)	-	-	-	(750,000)	-	760,000	10,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,329,535)	116,894	418,773	37,271	(178,817)	(15,563)	(1,950,977)
Cash and investments - beginning	2,533,575	300,316	-	295,180	652,871	1,189,527	4,971,469
Cash and investments - ending	\$ 204,040	\$ 417,210	\$ 418,773	\$ 332,451	\$ 474,054	\$ 1,173,964	\$ 3,020,492
Cash and Investment Assets - Ending							
Cash and investments	\$ 204,040	\$ 417,210	\$ 418,773	\$ -	\$ 474,054	\$ 1,020,194	\$ 2,534,271
Restricted assets:							
Cash and investments	-	-	-	332,451	-	153,770	486,221
Total cash and investment assets - ending	\$ 204,040	\$ 417,210	\$ 418,773	\$ 332,451	\$ 474,054	\$ 1,173,964	\$ 3,020,492
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 332,451	\$ -	\$ 153,770	\$ 486,221
Unrestricted	204,040	417,210	418,773	-	474,054	1,020,194	2,534,271
Total cash and investment fund balance - ending	\$ 204,040	\$ 417,210	\$ 418,773	\$ 332,451	\$ 474,054	\$ 1,173,964	\$ 3,020,492

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

BEECH GROVE CITY SCHOOLS
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, 2010

	General	School Lunch	Fiscal Stabilization - Education (Stimulus)	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 1,085,788	\$ 366,212	\$ -	\$ 6,297,273	\$ 3,085,538	\$ 2,737,416	\$ 13,572,227
State sources	14,232,269	7,166	-	906,737	-	323,062	15,469,234
Federal sources	-	661,510	487,975	-	-	1,336,624	2,486,109
Temporary loans	-	-	-	1,263,168	792,728	673,783	2,729,679
Interfund loans	-	-	-	195,000	145,000	410,000	750,000
Other	95,971	553	-	-	5,016	59,877	161,417
Total receipts	15,414,028	1,035,441	487,975	8,662,178	4,028,282	5,540,762	35,168,666
Disbursements:							
Current:							
Instruction	9,782,065	-	760,513	-	-	1,530,818	12,073,396
Support services	3,529,688	1,844	146,235	-	1,363,900	1,656,212	6,697,879
Noninstructional services	279,443	800,586	-	-	-	-	1,080,029
Facilities acquisition and construction	-	-	-	-	527,045	77,032	604,077
Debt services	699,199	-	-	5,966,691	2,238,355	1,583,524	10,487,769
Nonprogrammed charges	920,346	343,436	-	-	-	664,575	1,928,357
Interfund loans	-	-	-	195,000	145,000	410,000	750,000
Total disbursements	15,210,741	1,145,866	906,748	6,161,691	4,274,300	5,922,161	33,621,507
Excess (deficiency) of receipts over disbursements	203,287	(110,425)	(418,773)	2,500,487	(246,018)	(381,399)	1,547,159
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	6,700	6,700
Transfers in	532,231	-	-	-	260,000	991,693	1,783,924
Transfers out	-	-	-	(962,619)	-	(821,305)	(1,783,924)
Total other financing sources (uses)	532,231	-	-	(962,619)	260,000	177,088	6,700
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	735,518	(110,425)	(418,773)	1,537,868	13,982	(204,311)	1,553,859
Cash and investments - beginning	204,040	417,210	418,773	332,451	474,054	1,173,964	3,020,492
Cash and investments - ending	\$ 939,558	\$ 306,785	\$ -	\$ 1,870,319	\$ 488,036	\$ 969,653	\$ 4,574,351
Cash and Investment Assets - Ending							
Cash and investments	\$ 939,558	\$ 306,785	\$ -	\$ -	\$ 488,036	\$ 780,578	\$ 2,514,957
Restricted assets:							
Cash and investments	-	-	-	1,870,319	-	189,075	2,059,394
Total cash and investment assets - ending	\$ 939,558	\$ 306,785	\$ -	\$ 1,870,319	\$ 488,036	\$ 969,653	\$ 4,574,351
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 1,870,319	\$ -	\$ 189,075	\$ 2,059,394
Unrestricted	939,558	306,785	-	-	488,036	780,578	2,514,957
Total cash and investment fund balance - ending	\$ 939,558	\$ 306,785	\$ -	\$ 1,870,319	\$ 488,036	\$ 969,653	\$ 4,574,351

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

BEECH GROVE CITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
Additions:			
Contributions:			
Other	\$ -	\$ 3,395	
Total additions	<u>-</u>	<u>3,395</u>	
Deductions:			
Benefits	246,704	-	
Administrative and general	<u>-</u>	<u>4,150</u>	
Total deductions	<u>246,704</u>	<u>4,150</u>	
Deficiency of total additions over total deductions	(246,704)	(755)	
Cash and investment fund balance - beginning	<u>1,256,198</u>	<u>1,018</u>	
Cash and investment fund balance - ending	<u>\$ 1,009,494</u>	<u>\$ 263</u>	<u>\$ 153,016</u>
Net assets:			
Cash and investments	<u>\$ 1,009,494</u>	<u>\$ 263</u>	<u>\$ 153,016</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,009,494</u>	<u>\$ 263</u>	<u>\$ 153,016</u>

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

BEECH GROVE CITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
Additions:			
Contributions:			
Other	\$ -	\$ 2,854	
Total additions	<u>-</u>	<u>2,854</u>	
Deductions:			
Benefits	179,864	-	
Administrative and general	<u>-</u>	<u>2,100</u>	
Total deductions	<u>179,864</u>	<u>2,100</u>	
Excess (deficiency) of total additions over total deductions	(179,864)	754	
Cash and investment fund balance - beginning	<u>1,009,494</u>	<u>263</u>	
Cash and investment fund balance - ending	<u>\$ 829,630</u>	<u>\$ 1,017</u>	<u>\$ 196,061</u>
Net assets:			
Cash and investments	<u>\$ 829,630</u>	<u>\$ 1,017</u>	<u>\$ 196,061</u>
Total net assets - cash and investment basis held in trust	<u>\$ 829,630</u>	<u>\$ 1,017</u>	<u>\$ 196,061</u>

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

BEECH GROVE CITY SCHOOLS
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.

These financial statements present the School Corporation (primary government). There are no significant component units which require inclusion.

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

Joint Ventures

The School Corporation is a participant in a joint venture to operate Central Nine Career Center which was created to provide for the vocational education needs of their students. The School Corporation is obligated for the debts of the Central Nine Career Center. Complete financial statements for the Central Nine Career Center can be obtained from their office at 1999 U.S. 31 South, Greenwood, Indiana, 46143.

The School Corporation is a participant in a joint venture to operate Relating Individualism to Special Education (RISE) Learning Center which was created to provide special education for handicapped children. The School Corporation is obligated for the debts of the Relating Individualism to Special Education (RISE) Learning Center. Complete financial statements for the Relating Individualism to Special Education (RISE) Learning Center can be obtained from Metropolitan School District (MSD) of Perry Township at 6548 Orinoco Ave., Indianapolis, IN 46227.

The School Corporation is a participant in a joint venture to operate Central Indiana Educational Services Center (Services Center) which was created to provide certain programs and services for participating school districts. The Services Center 's existence depends on continued funding by the School Corporation. Complete financial statements for the Services Center can be obtained from the Central Indiana Educational Services Center, 6321 Lapas Trail, Indianapolis, IN 46268.

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.

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The school lunch fund is used to account for receipts and disbursements for the food service program.

The fiscal stabilization-education (stimulus) 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.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, equipment or capital construction, and interest on emergency and temporary loans.

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.

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 Corporation in a trustee capacity.

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

The agency fund accounts for assets held by the primary government as an agent for the federal government, state government, and various employee insurance companies.

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.

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. 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. 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).

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.

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Program Receipts

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

F. 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 transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
2. 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 in the government-wide financial statements as follows:

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

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

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 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.

III. Detailed Notes on All Funds

A. 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. 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 June 30, 2010, the School Corporation had a deposit balance in the amount of \$6,525,468.

The bank balance was insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
Debt Service Fund	Capital Projects Fund	\$ -	\$ 260,000
Debt Service Fund	Other Governmental Funds	750,000	702,619
Other Governmental Funds	General Fund	-	532,231
Other Governmental Funds	Other Governmental Funds	100,000	289,074
Totals		<u>\$ 850,000</u>	<u>\$ 1,783,924</u>

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees, and Dependents

During 1991, the School Corporation joined together with other governmental entities to form the Hoosier School Benefit Trust, a public entity risk pool currently operating as a common risk management and insurance program for five member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees and dependents. 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 Corporations

The School Corporation has entered into capital leases with the Beech Grove Multi-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 2009 and 2010 totaled \$2,491,000 and \$2,582,000, respectively.

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation has entered into capital leases with the Beech Grove Central Schools 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 HVAC projects 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 2010 totaled \$15,375.

C. Postemployment Benefits

Multiple-Employer Defined Benefit Healthcare Plan

Plan Description

Hoosier School Benefit Trust is a multiple-employer defined benefit healthcare plan administered by Meritain, a third party administrator. The plan provides major medical health benefits to eligible retirees and their spouses. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the School Corporation. The Hoosier School Benefit Trust 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:

Meritain
2370 Sience Parkway
Okemos, MI 48864
800-748-0003

Funding Policy

The contribution requirements of plan members for the Hoosier School Benefit Trust are established by the School Corporation's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the School Corporation contributed \$133,223 to the plan for current premiums (approximately 71% of total premiums). Plan members receiving benefits contributed \$53,620, or approximately 29% of the total premiums, through their required annual contribution of up to \$959 for retiree-only coverage, \$7,679 for retiree and spouse coverage, or \$5,996 for family coverage. For the year ended June 30, 2010, the School Corporation contributed \$121,247 to the plan for current premiums (approximately 65% of total premiums). Plan members receiving benefits contributed \$66,088, or approximately 35% of the total premiums, through their required annual contribution of up to \$1,564 for retiree-only coverage, \$8,950 for retiree and spouse coverage, or \$7,152 for family coverage.

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

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy

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 were \$325,098.

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

BEECH GROVE CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

The School Corporation's contributions to the plan during the period were \$1,427,819.

BEECH GROVE CITY SCHOOLS
 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	Rainy Day	Textbook Rental	Alternative Education Grant	Safe Haven Grant	Gifted and Talented	Chamber of Commerce Grant
Receipts:								
Local sources	\$ 984,875	\$ 9,638	\$ -	\$ 170,091	\$ -	\$ -	\$ -	\$ 71,768
State sources	-	53,091	-	79,921	-	12,666	35,571	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	474,382	-	-	-	-	-	-	-
Other	121	-	19,435	1,782	-	-	-	-
Total receipts	1,459,378	62,729	19,435	251,794	-	12,666	35,571	71,768
Disbursements:								
Current:								
Instruction	-	-	264,898	-	9,524	4,786	-	34,813
Support services	778,726	756	189,248	296,054	-	-	-	-
Facilities acquisition and construction	-	-	571,372	-	-	-	-	-
Debt services	567,355	-	24,728	-	-	-	-	-
Total disbursements	1,346,081	756	1,050,246	296,054	9,524	4,786	-	34,813
Excess (deficiency) of receipts over disbursements	113,297	61,973	(1,030,811)	(44,260)	(9,524)	7,880	35,571	36,955
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	850,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	850,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	113,297	61,973	(180,811)	(44,260)	(9,524)	7,880	35,571	36,955
Cash and investments - beginning	125,807	90	387,612	180,851	9,524	5,705	-	14,363
Cash and investments - ending	\$ 239,104	\$ 62,063	\$ 206,801	\$ 136,591	\$ -	\$ 13,585	\$ 35,571	\$ 51,318
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 239,104	\$ 62,063	\$ 206,801	\$ 136,591	\$ -	\$ 13,585	\$ 35,571	\$ 51,318
Restricted assets:								
Cash and investments	-	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 239,104	\$ 62,063	\$ 206,801	\$ 136,591	\$ -	\$ 13,585	\$ 35,571	\$ 51,318
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	239,104	62,063	206,801	136,591	-	13,585	35,571	51,318
Total cash and investment fund balance - ending	\$ 239,104	\$ 62,063	\$ 206,801	\$ 136,591	\$ -	\$ 13,585	\$ 35,571	\$ 51,318

BEECH GROVE CITY SCHOOLS
 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)

	Computer Consortium/ Ed Tech	Non English Speaking Program	Professional Development	High School Grant	2005 Lilly Grant	Title I Grant	Title V Grant
Receipts:							
Local sources	\$ 813	\$ -	\$ -	\$ -	\$ 5,595	\$ -	\$ -
State sources	1,188,022	4,047	30,658	-	-	-	-
Federal sources	-	-	-	-	-	496,265	15,584
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	1,188,835	4,047	30,658	-	5,595	496,265	15,584
Disbursements:							
Current:							
Instruction	-	-	-	8,710	90,678	489,241	23,647
Support services	1,188,835	-	36,330	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,188,835	-	36,330	8,710	90,678	489,241	23,647
Excess (deficiency) of receipts over disbursements	-	4,047	(5,672)	(8,710)	(85,083)	7,024	(8,063)
Other financing sources (uses):							
Sale of capital assets	-	-	-	10,000	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	10,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,047	(5,672)	1,290	(85,083)	7,024	(8,063)
Cash and investments - beginning	-	-	35,127	3,502	85,135	3,324	8,221
Cash and investments - ending	\$ -	\$ 4,047	\$ 29,455	\$ 4,792	\$ 52	\$ 10,348	\$ 158
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 4,047	\$ 29,455	\$ 4,792	\$ 52	\$ 10,348	\$ 158
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,047	\$ 29,455	\$ 4,792	\$ 52	\$ 10,348	\$ 158
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,047	29,455	4,792	52	10,348	158
Total cash and investment fund balance - ending	\$ -	\$ 4,047	\$ 29,455	\$ 4,792	\$ 52	\$ 10,348	\$ 158

BEECH GROVE CITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title IV Grant	Wellness Grant	Title II, Part A Grant	Teacher Fellowship Grant	Retirement/ Severance Bond Debt Service	Bus Replacement	Totals
Receipts:							
Local sources	\$ -	\$ 40,000	\$ -	\$ -	\$ 191,467	\$ 221,199	\$ 1,695,446
State sources	-	-	-	-	-	-	1,403,976
Federal sources	4,146	-	61,228	-	-	-	577,223
Temporary loans	-	-	-	-	246,762	60,376	781,520
Other	-	-	-	-	-	-	21,338
Total receipts	4,146	40,000	61,228	-	438,229	281,575	4,479,503
Disbursements:							
Current:							
Instruction	1,516	30,790	4,398	4,410	-	-	967,411
Support services	-	-	-	-	-	168,107	2,658,056
Facilities acquisition and construction	-	-	-	-	-	-	571,372
Debt services	-	-	-	-	463,156	2,988	1,058,227
Total disbursements	1,516	30,790	4,398	4,410	463,156	171,095	5,255,066
Excess (deficiency) of receipts over disbursements	2,630	9,210	56,830	(4,410)	(24,927)	110,480	(775,563)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	10,000
Transfers in	-	-	-	-	-	-	850,000
Transfers out	-	-	-	-	-	(100,000)	(100,000)
Total other financing sources (uses)	-	-	-	-	-	(100,000)	760,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,630	9,210	56,830	(4,410)	(24,927)	10,480	(15,563)
Cash and investments - beginning	2,474	41,615	5,010	4,410	178,697	98,060	1,189,527
Cash and investments - ending	\$ 5,104	\$ 50,825	\$ 61,840	\$ -	\$ 153,770	\$ 108,540	\$ 1,173,964
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,104	\$ 50,825	\$ 61,840	\$ -	\$ -	\$ 108,540	\$ 1,020,194
Restricted assets:							
Cash and investments	-	-	-	-	153,770	-	153,770
Total cash and investment assets - ending	\$ 5,104	\$ 50,825	\$ 61,840	\$ -	\$ 153,770	\$ 108,540	\$ 1,173,964
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 153,770	\$ -	\$ 153,770
Unrestricted	5,104	50,825	61,840	-	-	108,540	1,020,194
Total cash and investment fund balance - ending	\$ 5,104	\$ 50,825	\$ 61,840	\$ -	\$ 153,770	\$ 108,540	\$ 1,173,964

BEECH GROVE CITY SCHOOLS
 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, 2010

	Referendum	Transportation	Special Education Preschool	Rainy Day	Textbook Rental	Safe Haven Grant	Early Intervention Grant
Receipts:							
Local sources	\$ 849,256	\$ 801,744	\$ 5,418	\$ -	\$ 158,102	\$ -	\$ -
State sources	-	-	24,750	-	73,113	-	34,778
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	528,258	-	-	-	-	-
Interfund loans	-	230,000	-	-	-	-	-
Other	-	28,336	-	7,045	292	-	-
Total receipts	849,256	1,588,338	30,168	7,045	231,507	-	34,778
Disbursements:							
Current:							
Instruction	-	-	-	75,099	-	11,973	34,557
Support services	159,276	824,382	-	198,330	266,767	-	-
Facilities acquisition and construction	-	-	-	77,032	-	-	-
Debt services	-	738,511	-	-	-	-	-
Nonprogrammed charges	547,063	-	-	47,000	-	-	-
Interfund loans	-	230,000	-	-	-	-	-
Total disbursements	706,339	1,792,893	-	397,461	266,767	11,973	34,557
Excess (deficiency) of receipts over disbursements	142,917	(204,555)	30,168	(390,416)	(35,260)	(11,973)	221
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	100,000	100,000	-	689,074	-	-	-
Transfers out	-	-	(92,231)	(440,000)	-	-	-
Total other financing sources (uses)	100,000	100,000	(92,231)	249,074	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	242,917	(104,555)	(62,063)	(141,342)	(35,260)	(11,973)	221
Cash and investments - beginning	-	239,104	62,063	206,801	136,591	13,585	-
Cash and investments - ending	\$ 242,917	\$ 134,549	\$ -	\$ 65,459	\$ 101,331	\$ 1,612	\$ 221
Cash and Investment Assets - Ending							
Cash and investments	\$ 242,917	\$ 134,549	\$ -	\$ 65,459	\$ 101,331	\$ 1,612	\$ 221
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 242,917	\$ 134,549	\$ -	\$ 65,459	\$ 101,331	\$ 1,612	\$ 221
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	242,917	134,549	-	65,459	101,331	1,612	221
Total cash and investment fund balance - ending	\$ 242,917	\$ 134,549	\$ -	\$ 65,459	\$ 101,331	\$ 1,612	\$ 221

BEECH GROVE CITY SCHOOLS
 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, 2010
 (Continued)

	Gifted and Talented	Chamber of Commerce Grant	Computer Consortium/ Ed Tech	Non English Speaking Program	Professional Development	High School Grant	2005 Lilly Grant
Receipts:							
Local sources	\$ -	\$ 22,824	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	35,031	-	144,847	4,293	6,250	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	35,031	22,824	144,847	4,293	6,250	-	-
Disbursements:							
Current:							
Instruction	70,602	69,817	-	-	-	4,726	-
Support services	-	-	144,847	-	29,755	-	52
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	70,602	69,817	144,847	-	29,755	4,726	52
Excess (deficiency) of receipts over disbursements	(35,571)	(46,993)	-	4,293	(23,505)	(4,726)	(52)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	6,700	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	6,700	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(35,571)	(46,993)	-	4,293	(23,505)	1,974	(52)
Cash and investments - beginning	35,571	51,318	-	4,047	29,455	4,792	52
Cash and investments - ending	\$ -	\$ 4,325	\$ -	\$ 8,340	\$ 5,950	\$ 6,766	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 4,325	\$ -	\$ 8,340	\$ 5,950	\$ 6,766	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,325	\$ -	\$ 8,340	\$ 5,950	\$ 6,766	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,325	-	8,340	5,950	6,766	-
Total cash and investment fund balance - ending	\$ -	\$ 4,325	\$ -	\$ 8,340	\$ 5,950	\$ 6,766	\$ -

BEECH GROVE CITY SCHOOLS
 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, 2010
 (Continued)

	Title I Grant	Title V Grant	Title IV Grant	Wellness Grant	21st Century Learning Center	Title II, Part A Grant	Title I - School Improvement (Stimulus)
Receipts:							
Local sources	\$ 22,871	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 13,347
State sources	-	-	-	-	-	-	-
Federal sources	512,590	1,576	10,130	-	-	83,349	235,818
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	535,461	1,576	10,130	300	-	83,349	249,165
Disbursements:							
Current:							
Instruction	521,919	1,379	2,020	47,197	-	60,231	264,616
Support services	-	-	-	-	1,231	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	521,919	1,379	2,020	47,197	1,231	60,231	264,616
Excess (deficiency) of receipts over disbursements	13,542	197	8,110	(46,897)	(1,231)	23,118	(15,451)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,542	197	8,110	(46,897)	(1,231)	23,118	(15,451)
Cash and investments - beginning	10,348	158	5,104	50,825	-	61,840	-
Cash and investments - ending	\$ 23,890	\$ 355	\$ 13,214	\$ 3,928	\$ (1,231)	\$ 84,958	\$ (15,451)
Cash and Investment Assets - Ending							
Cash and investments	\$ 23,890	\$ 355	\$ 13,214	\$ 3,928	\$ (1,231)	\$ 84,958	\$ (15,451)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 23,890	\$ 355	\$ 13,214	\$ 3,928	\$ (1,231)	\$ 84,958	\$ (15,451)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,890	355	13,214	3,928	(1,231)	84,958	(15,451)
Total cash and investment fund balance - ending	\$ 23,890	\$ 355	\$ 13,214	\$ 3,928	\$ (1,231)	\$ 84,958	\$ (15,451)

BEECH GROVE CITY SCHOOLS
 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, 2010
 (Continued)

	Special Education Part B (Stimulus)	Special Education - Preschool Part B (Stimulus)	Education Technology (Stimulus)	Retirement/ Severance Bond Debt Service	Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 641,798	\$ 221,756	\$ 2,737,416
State sources	-	-	-	-	-	323,062
Federal sources	271,690	9,933	211,538	-	-	1,336,624
Temporary loans	-	-	-	145,525	-	673,783
Interfund loans	-	-	-	-	180,000	410,000
Other	22,704	-	-	-	1,500	59,877
Total receipts	294,394	9,933	211,538	787,323	403,256	5,540,762
Disbursements:						
Current:						
Instruction	221,001	7,383	138,298	-	-	1,530,818
Support services	-	-	2,385	-	29,187	1,656,212
Facilities acquisition and construction	-	-	-	-	-	77,032
Debt services	-	-	-	784,637	60,376	1,583,524
Nonprogrammed charges	-	-	70,512	-	-	664,575
Interfund loans	-	-	-	-	180,000	410,000
Total disbursements	221,001	7,383	211,195	784,637	269,563	5,922,161
Excess (deficiency) of receipts over disbursements	73,393	2,550	343	2,686	133,693	(381,399)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	6,700
Transfers in	-	-	-	32,619	70,000	991,693
Transfers out	-	-	-	-	(289,074)	(821,305)
Total other financing sources (uses)	-	-	-	32,619	(219,074)	177,088
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	73,393	2,550	343	35,305	(85,381)	(204,311)
Cash and investments - beginning	-	-	-	153,770	108,540	1,173,964
Cash and investments - ending	<u>\$ 73,393</u>	<u>\$ 2,550</u>	<u>\$ 343</u>	<u>\$ 189,075</u>	<u>\$ 23,159</u>	<u>\$ 969,653</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 73,393	\$ 2,550	\$ 343	\$ -	\$ 23,159	\$ 780,578
Restricted assets:						
Cash and investments	-	-	-	189,075	-	189,075
Total cash and investment assets - ending	<u>\$ 73,393</u>	<u>\$ 2,550</u>	<u>\$ 343</u>	<u>\$ 189,075</u>	<u>\$ 23,159</u>	<u>\$ 969,653</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 189,075	\$ -	\$ 189,075
Unrestricted	73,393	2,550	343	-	23,159	780,578
Total cash and investment fund balance - ending	<u>\$ 73,393</u>	<u>\$ 2,550</u>	<u>\$ 343</u>	<u>\$ 189,075</u>	<u>\$ 23,159</u>	<u>\$ 969,653</u>

BEECH GROVE CITY SCHOOLS
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2009

	<u>Payroll Clearing</u>
Additions:	
Agency fund additions	<u>\$ 4,346,599</u>
Deductions:	
Agency fund deductions	<u>4,318,947</u>
Excess of total additions over total deductions	27,652
Cash and investment fund balance - beginning	<u>125,364</u>
Cash and investment fund balance - ending	<u><u>\$ 153,016</u></u>

BEECH GROVE CITY SCHOOLS
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2010

	Payroll Clearing
Additions:	
Agency fund additions	\$ 4,452,155
Deductions:	
Agency fund deductions	4,409,110
Excess of total additions over total deductions	43,045
Cash and investment fund balance - beginning	153,016
Cash and investment fund balance - ending	\$ 196,061

BEECH GROVE CITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
AS OF JUNE 30, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Beech Grove Multi-School Building Corporation:		
High School Series 1996	\$ 11,640,000	\$ 1,242,500
Hornet Park Elem. Series 2001	9,423,315	715,000
Middle School/South Grove Intermediate, Series 2005 Refinance	7,505,000	759,000
Beech Grove Central Schools Building Corporation:		
HVAC Project, Series 2009	1,995,000	81,000
Total - capital leases	<u>30,563,315</u>	<u>2,797,500</u>
Tax anticipation warrants	<u>2,216,444</u>	<u>2,216,444</u>
Notes and loans payable:		
Common School Loans:		
A1115	65,930	44,503
A1200	110,052	45,011
A1222	132,060	45,231
A1258	151,480	44,687
A1278	173,120	44,903
A1318	170,800	44,301
A0575	875,000	132,177
Amtrack 2000	-	24,979
Energy Savings	1,523,359	250,506
Central 9 Career Center, 2007	218,810	34,330
Central 9 Career Center, 2009	228,688	28,526
Total - notes and loan payable	<u>3,649,299</u>	<u>739,154</u>
Bonds payable:		
General obligation bonds:		
Kindergarten Center, Series 1996	185,000	100,455
Pension, Series 2004	5,130,000	411,157
Total - bonds payable	<u>5,315,000</u>	<u>511,612</u>
Total governmental activities debt	<u>\$ 41,744,058</u>	<u>\$ 6,264,710</u>

BEECH GROVE CITY SCHOOLS
AUDIT RESULTS AND COMMENTS

MILEAGE REIMBURSEMENT

Some employees were reimbursed for mileage on the basis of an incomplete mileage claim, General Form 101. The odometer readings in several instances, were not listed on the mileage claims; therefore, the mileage claimed could not be verified.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEXTBOOK RENTAL CHARGES AND STUDENT FEES

The School Corporation is charging more than the actual cost for some textbooks due to the addition of an estimated shipping cost instead of the actual shipping cost.

The School Corporation, at the time of charging and collecting textbook rental fees, requires other fees to be paid including, but not limited to, classroom supplies and activities for kindergarten to 8th grade and general instructional supplies for kindergarten to 8th grade. The High School also charges various course fees. The School Corporation Officials could not provide documentation to verify students received consumable goods or services equal to the fee charged.

A similar comment appeared in prior Report B34229.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EXTRA-CURRICULAR DISBURSEMENTS (Applies to Beech Grove High School)

Extra-Curricular disbursements lacked proper supporting documentation such as the Purchase Order and Accounts Payable Voucher, Form, SA-1, gift cards were provided, contracts, or worker's times indicated on timesheets. Additionally, a donation check received from Wal-Mart on behalf of the High School was designated for the High School's PTO by the Principal without any supporting documentation for the designation.

A similar comment appeared in prior Report B34229.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE BEECH GROVE CITY SCHOOLS, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Beech Grove City Schools (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, 2009 and 2010. 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, 2009 and 2010.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 12, 2011

BEECH GROVE CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY08/09 FY09/10	\$ 130,851 -	\$ - 149,390
National School Lunch Program	10.555	FY08/09 FY09/10	488,479 -	- 566,702
Total for cluster			<u>619,330</u>	<u>716,092</u>
Total for Federal Grantor Agency			<u>619,330</u>	<u>716,092</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	08-5380 09-5380 10-5380	3,324 484,149 -	- 4,621 488,331
Pass-Through Indianapolis Public Schools Title I Grants to Local Educational Agencies	84.010	09-5380 10-5380	1,768 -	5,727 6,523
Pass-Through Metropolitan School District (MSD) of Perry Township Title I Grants to Local Educational Agencies	84.010	10-5380	-	2,552
Total for program			<u>489,241</u>	<u>507,754</u>
Pass-Through Indiana Department of Education ARRA - Title I Grants to Local Educational Agencies	84.389	S389A090014	-	264,616
Total for cluster			<u>489,241</u>	<u>772,370</u>
Educational Technology State Grants Cluster Educational Technology State Grants	84.318	S318X050014	4,410	-
ARRA - Educational Technology State Grants	84.386	C209S5380	-	211,195
Total for cluster			<u>4,410</u>	<u>211,195</u>
Pass-Through Metropolitan School District (MSD) of Perry Township Special Education Cluster ARRA - Special Education - Grants to States	84.391	33310-053-SN01	-	221,001
ARRA - Special Education - Preschool Grants	84.392	44410-053-SN01	-	7,383
Total for cluster			<u>-</u>	<u>228,384</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	S394A090015	786,560	906,749
Total for program and cluster			<u>786,560</u>	<u>906,749</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	5380-07 08-5380	1,515 -	958 1,062
Total for program			<u>1,515</u>	<u>2,020</u>
Twenty-First Century Community Learning Centers	84.287	S287C100014	-	1,231
State Grants for Innovative Programs	84.298	07-5380 08-5380	8,221 15,425	1,221 158
Total for program			<u>23,646</u>	<u>1,379</u>
Improving Teacher Quality State Grants	84.367	S367A090013	4,398	60,231
Total for Federal Grantor Agency			<u>1,309,770</u>	<u>2,183,559</u>
Total Federal Awards Expended			<u>\$ 1,929,100</u>	<u>\$ 2,899,651</u>

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

BEECH GROVE CITY SCHOOLS
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 Beech Grove City Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2009 and 2010:

Program Title	Federal CFDA Number	2009	2010
ARRA – Education Technology State Grants	84.386	\$ -	\$ 70,512

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
Child Nutrition Cluster			
School Breakfast Program	10.553	\$ 12,147	\$ 11,387
National School Lunch Program	10.555	45,346	43,195

BEECH GROVE CITY SCHOOLS
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

Title I, Part A 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.

BEECH GROVE CITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

BEECH GROVE CITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2011, with Janice Whitman, Treasurer; Dr. Paul Kaiser, Superintendent of Schools; Jannis King, President of the School Board; and Thomas Keeley, Director of Business and Personnel. The officials concurred with our audit findings.