

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

AUDIT REPORT

OF

WHITLEY COUNTY CONSOLIDATED SCHOOLS

WHITLEY COUNTY, INDIANA

July 1, 2008 to June 30, 2010



**FILED**

02/28/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Anthony G. Zickgraf	07-01-08 to 06-30-11
Superintendent of Schools	Dr. Laura L. Huffman Dr. Patricia O'Connor (Interim) Dr. Patricia O'Connor	07-01-08 to 01-08-10 01-09-10 to 02-14-11 02-15-11 to 06-30-11
President of the School Board	Donald L. Armstrong	01-01-08 to 12-31-11



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

TO: THE OFFICIALS OF WHITLEY COUNTY CONSOLIDATED  
SCHOOLS, WHITLEY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whitley County Consolidated 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 26, 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.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 26, 2011



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

TO: THE OFFICIALS OF WHITLEY COUNTY CONSOLIDATED  
SCHOOLS, WHITLEY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whitley County Consolidated 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 26, 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.

We noted certain matters that we reported to management in a separate letter dated January 26, 2011.

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 26, 2011

WHITLEY COUNTY CONSOLIDATED 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 (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 15,986,276	\$ -	\$ 296,448	\$ (15,689,828)
Support services	12,240,175	1,154,468	580,293	(10,505,414)
Noninstructional services	1,627,756	-	-	(1,627,756)
Facilities acquisition and construction	1,723,199	-	-	(1,723,199)
Debt service	8,659,649	-	-	(8,659,649)
Nonprogrammed charges	110,012	-	-	(110,012)
<b>Total governmental activities</b>	<b><u>\$ 40,347,067</u></b>	<b><u>\$ 1,154,468</u></b>	<b><u>\$ 876,741</u></b>	<b><u>(38,315,858)</u></b>
General receipts:				
Property taxes				19,217,140
Other local sources				3,131,380
State aid				14,499,375
Grants and contributions not restricted to specific programs				2,358,390
Sale of property				537
Investment earnings				71,440
Other				137,237
<b>Total general receipts</b>				<b><u>39,415,499</u></b>
Change in net assets				1,099,641
Net assets - beginning				<u>4,840,013</u>
Net assets - ending				<b><u>\$ 5,939,654</u></b>
<u>Assets</u>				
Cash and investments				\$ 5,057,459
Restricted assets:				
Cash and investments				<u>882,195</u>
<b>Total assets</b>				<b><u>\$ 5,939,654</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 882,195
Unrestricted				<u>5,057,459</u>
<b>Total net assets</b>				<b><u>\$ 5,939,654</u></b>

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

WHITLEY COUNTY CONSOLIDATED 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 (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 16,562,533	\$ -	\$ 259,179	\$ (16,303,354)
Support services	11,916,323	1,159,233	703,851	(10,053,239)
Noninstructional services	1,643,898	-	-	(1,643,898)
Facilities acquisition and construction	1,378,114	-	-	(1,378,114)
Debt service	4,198,842	-	-	(4,198,842)
Nonprogrammed charges	129,338	-	-	(129,338)
<b>Total governmental activities</b>	<b><u>\$ 35,829,048</u></b>	<b><u>\$ 1,159,233</u></b>	<b><u>\$ 963,030</u></b>	<b><u>(33,706,785)</u></b>
General receipts:				
Property taxes				11,309,241
Other local sources				2,595,436
State aid				20,692,453
Grants and contributions not restricted to specific programs				2,004,254
Sale of property				2,432
Investment earnings				23,865
Other				17,631
<b>Total general receipts</b>				<b><u>36,645,312</u></b>
Change in net assets				2,938,527
Net assets - beginning				<u>5,939,654</u>
Net assets - ending				<b><u>\$ 8,878,181</u></b>
<u>Assets</u>				
Cash and investments				\$ 6,350,632
Restricted assets:				
Cash and investments				<u>2,527,549</u>
<b>Total assets</b>				<b><u>\$ 8,878,181</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,527,549
Unrestricted				<u>6,350,632</u>
<b>Total net assets</b>				<b><u>\$ 8,878,181</u></b>

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

WHITLEY COUNTY CONSOLIDATED 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	Transportation Operating	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 10,078,883	\$ 2,025,325	\$ -	\$ -	\$ 4,825,931	\$ 4,292,370	\$ 2,350,902	\$ 23,573,411
Intermediate sources	433	-	-	-	-	-	581	1,014
State sources	14,752,565	-	-	-	-	-	256,714	15,009,279
Federal sources	-	-	-	1,816,717	-	-	908,513	2,725,230
Other	-	-	-	-	-	-	137,237	137,237
<b>Total receipts</b>	<b>24,831,881</b>	<b>2,025,325</b>	<b>-</b>	<b>1,816,717</b>	<b>4,825,931</b>	<b>4,292,370</b>	<b>3,653,947</b>	<b>41,446,171</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	14,991,041	-	-	469,439	-	-	525,796	15,986,276
Support services	6,830,092	1,747,281	-	188,974	-	2,493,702	980,126	12,240,175
Noninstructional services	377,414	-	-	6,037	-	-	1,244,305	1,627,756
Facilities acquisition and construction	-	-	-	-	-	1,627,564	95,635	1,723,199
Debt services	3,661,413	-	-	-	4,388,751	-	609,485	8,659,649
Nonprogrammed charges	96,854	-	-	13,158	-	-	-	110,012
<b>Total disbursements</b>	<b>25,956,814</b>	<b>1,747,281</b>	<b>-</b>	<b>677,608</b>	<b>4,388,751</b>	<b>4,121,266</b>	<b>3,455,347</b>	<b>40,347,067</b>
Excess (deficiency) of receipts over disbursements	(1,124,933)	278,044	-	1,139,109	437,180	171,104	198,600	1,099,104
<b>Other financing sources (uses):</b>								
Sale of capital assets	537	-	-	-	-	-	-	537
Transfers in	-	-	-	-	-	-	62,557	62,557
Transfers out	-	-	-	-	(24,157)	-	(38,400)	(62,557)
<b>Total other financing sources (uses)</b>	<b>537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,157)</b>	<b>-</b>	<b>24,157</b>	<b>537</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,124,396)	278,044	-	1,139,109	413,023	171,104	222,757	1,099,641
Cash and investments - beginning	564,638	403,752	1,806,072	-	387,955	653,896	1,023,700	4,840,013
Cash and investments - ending	<u>\$ (559,758)</u>	<u>\$ 681,796</u>	<u>\$ 1,806,072</u>	<u>\$ 1,139,109</u>	<u>\$ 800,978</u>	<u>\$ 825,000</u>	<u>\$ 1,246,457</u>	<u>\$ 5,939,654</u>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ (559,758)	\$ 681,796	\$ 1,806,072	\$ 1,139,109	\$ -	\$ 825,000	\$ 1,165,240	\$ 5,057,459
Restricted assets:								
Cash and investments	-	-	-	-	800,978	-	81,217	882,195
<b>Total cash and investment assets - ending</b>	<u>\$ (559,758)</u>	<u>\$ 681,796</u>	<u>\$ 1,806,072</u>	<u>\$ 1,139,109</u>	<u>\$ 800,978</u>	<u>\$ 825,000</u>	<u>\$ 1,246,457</u>	<u>\$ 5,939,654</u>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 800,978	\$ -	\$ 81,217	\$ 882,195
Unrestricted	(559,758)	681,796	1,806,072	1,139,109	-	825,000	1,165,240	5,057,459
<b>Total cash and investment fund balance - ending</b>	<u>\$ (559,758)</u>	<u>\$ 681,796</u>	<u>\$ 1,806,072</u>	<u>\$ 1,139,109</u>	<u>\$ 800,978</u>	<u>\$ 825,000</u>	<u>\$ 1,246,457</u>	<u>\$ 5,939,654</u>

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

WHITLEY COUNTY CONSOLIDATED 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	Transportation Operating	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 762,675	\$ 2,575,824	\$ -	\$ -	\$ 5,096,356	\$ 4,730,259	\$ 1,918,403	\$ 15,083,517
Intermediate sources	3,995	-	-	-	-	-	263	4,258
State sources	20,909,256	-	-	-	-	-	622,657	21,531,913
Federal sources	-	-	-	714,165	-	-	1,413,659	2,127,824
Other	-	-	-	-	-	-	17,631	17,631
<b>Total receipts</b>	<b>21,675,926</b>	<b>2,575,824</b>	<b>-</b>	<b>714,165</b>	<b>5,096,356</b>	<b>4,730,259</b>	<b>3,972,613</b>	<b>38,765,143</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	14,726,239	-	212,500	1,000,113	-	-	623,681	16,562,533
Support services	6,188,535	1,767,893	75,000	820,004	-	2,309,849	755,042	11,916,323
Noninstructional services	349,993	-	-	33,157	-	-	1,260,748	1,643,898
Facilities acquisition and construction	-	-	-	-	-	1,299,136	78,978	1,378,114
Debt services	-	-	-	-	3,581,670	-	617,172	4,198,842
Nonprogrammed charges	125,309	-	-	-	-	-	4,029	129,338
<b>Total disbursements</b>	<b>21,390,076</b>	<b>1,767,893</b>	<b>287,500</b>	<b>1,853,274</b>	<b>3,581,670</b>	<b>3,608,985</b>	<b>3,339,650</b>	<b>35,829,048</b>
Excess (deficiency) of receipts over disbursements	285,850	807,931	(287,500)	(1,139,109)	1,514,686	1,121,274	632,963	2,936,095
<b>Other financing sources (uses):</b>								
Sale of capital assets	2,432	-	-	-	-	-	-	2,432
Transfers in	132,909	-	-	-	-	-	58,975	191,884
Transfers out	-	-	-	-	(2,205)	-	(189,679)	(191,884)
<b>Total other financing sources (uses)</b>	<b>135,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,205)</b>	<b>-</b>	<b>(130,704)</b>	<b>2,432</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	421,191	807,931	(287,500)	(1,139,109)	1,512,481	1,121,274	502,259	2,938,527
Cash and investments - beginning	(559,758)	681,796	1,806,072	1,139,109	800,978	825,000	1,246,457	5,939,654
Cash and investments - ending	\$ (138,567)	\$ 1,489,727	\$ 1,518,572	\$ -	\$ 2,313,459	\$ 1,946,274	\$ 1,748,716	\$ 8,878,181
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ (138,567)	\$ 1,489,727	\$ 1,518,572	\$ -	\$ -	\$ 1,946,274	\$ 1,534,626	\$ 6,350,632
Restricted assets:								
Cash and investments	-	-	-	-	2,313,459	-	214,090	2,527,549
<b>Total cash and investment assets - ending</b>	<b>\$ (138,567)</b>	<b>\$ 1,489,727</b>	<b>\$ 1,518,572</b>	<b>\$ -</b>	<b>\$ 2,313,459</b>	<b>\$ 1,946,274</b>	<b>\$ 1,748,716</b>	<b>\$ 8,878,181</b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,313,459	\$ -	\$ 214,090	\$ 2,527,549
Unrestricted	(138,567)	1,489,727	1,518,572	-	-	1,946,274	1,534,626	6,350,632
<b>Total cash and investment fund balance - ending</b>	<b>\$ (138,567)</b>	<b>\$ 1,489,727</b>	<b>\$ 1,518,572</b>	<b>\$ -</b>	<b>\$ 2,313,459</b>	<b>\$ 1,946,274</b>	<b>\$ 1,748,716</b>	<b>\$ 8,878,181</b>

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ 30,567
Investment earnings:	
Interest	<u>630</u>
Total additions	<u>31,197</u>
Deductions:	
Administrative and general	<u>39,389</u>
Deficiency of total additions over total deductions	(8,192)
Cash and investment fund balance - beginning	<u>93,000</u>
Cash and investment fund balance - ending	<u><u>\$ 84,808</u></u>
Net assets:	
Cash and investments	<u>\$ 84,808</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 84,808</u></u>

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>103,081</u>
Deductions:	
Administrative and general	<u>51,622</u>
Excess of total additions over total deductions	51,459
Cash and investment fund balance - beginning	<u>84,808</u>
Cash and investment fund balance - ending	<u>\$ <u>136,267</u></u>
Net assets:	
Cash and investments	<u>\$ <u>136,267</u></u>
Total net assets - cash and investment basis held in trust	<u>\$ <u>136,267</u></u>

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

WHITLEY COUNTY CONSOLIDATED 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.

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

Primary Government: Whitley County Consolidated Schools

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

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. The School Corporation does not have any business-type activities.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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.

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

The capital projects fund accounts for planned construction, repair, replacement, or remodeling of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust funds report trust arrangements under which principal and income benefit eligible students.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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). 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 June 30 of the year collected.

4. Capital Assets

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. 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.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

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

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.

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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.

B. Cash and Investment Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009	2010
General	\$ 559,758	\$ 138,567
Adult Basic Education	11,067	11,067
Title I Stimulus	-	2,795

The General Fund deficit balance was caused by temporary cash flow issues and the basic grant payments being paid through the Fiscal Stabilization Fund. The cash deficit in the General Fund was corrected with the next month's receipts. The Adult Basic Education Fund deficit has been on-going, but was corrected in October 2010. The Title I Stimulus Fund had a deficit due to the State of Indiana changing how they remitted funds to the LEAs.

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 deposit balances in the amount of \$9,014,448. 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.

WHITLEY COUNTY CONSOLIDATED 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	Other Governmental Funds	\$ 24,157	\$ 2,205
Other Governmental Funds	General Fund	-	132,909
Other Governmental Funds	Other Governmental Funds	38,400	56,770
Totals		<u>\$ 62,557</u>	<u>\$ 191,884</u>

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

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from 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.

Medical Benefits to Employees

During 1985, the School Corporation joined the School Employees' Benefit Trust, a public entity risk pool currently operating as a common risk management and insurance program for fourteen member governmental entities. This risk pool was formed in 1980. The purpose of the risk pool is to provide a medium for the funding and administration of group insurance for medical benefits to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members up to \$2,000,000 lifetime benefit maximum. The risk pool obtains independent coverage for insured events in excess of \$300,000.

B. Holding Corporation

The School Corporation has entered into capital leases with Whitley County Multi-School Building Corporation. 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 ended June 30, 2009 and 2010, totaled \$4,253,447 and \$3,534,675, respectively.

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Subsequent Events

On September 20, 2010, the School Corporation entered into a capital lease with Whitley County Multi-School Building Corporation for construction of the Eagle Tech Academy. On November 22, 2010, a \$1,990,000 Qualified School Construction Bond Issue was sold to fund the project.

During June of 2010, Columbia City High School sustained major flood damage due to heavy rains. Insurance determined only a minimal amount of damages would be covered. As of January 26, 2011, \$468,173 has been paid by the School Corporation for repairs. Litigation against the insurance company is pending.

D. Termination Benefits

During the fiscal year 2009-2010, the School Corporation made severance payments to 11 full-time employees and 1 part-time employee totaling \$287,500.

E. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The postemployment healthcare plan is a single-employer defined benefit healthcare plan administered by Allied Benefit Systems. The plan provides health insurance to eligible retirees and their spouses. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the School Corporation.

Funding Policy

The contribution requirements of plan members for the postemployment healthcare plan 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, 2010, the School Corporation contributed \$85,759 to the plan for current premiums. The School Corporation pays all but \$1 of these postemployment benefits for single health insurance coverage. For family coverage, the School Corporation will pay \$495 per month; the remaining costs are the responsibility of the retiree.

F. 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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 \$727,002.

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

WHITLEY COUNTY CONSOLIDATED 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 \$976,209.

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 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)
07-01-07	\$ 5,234,469	\$ 5,583,832	\$ (349,363)	94%	\$ 4,342,054	(8%)
07-01-08	5,558,900	5,942,497	(383,597)	94%	4,554,361	(8%)
07-01-09	4,913,242	6,090,449	(1,177,207)	81%	4,933,301	(24%)

WHITLEY COUNTY CONSOLIDATED 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

	Special Education Preschool	School Lunch	Textbook Rental	Education License Plate	Alternative Education Grant	Early Intervention	High Ability
<b>Receipts:</b>							
Local sources	\$ 21,547	\$ 787,570	\$ 163,650	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	581	-	-	-
State sources	113,341	23,773	61,040	-	-	15,300	41,311
Federal sources	-	495,480	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>134,888</b>	<b>1,306,823</b>	<b>224,690</b>	<b>581</b>	<b>-</b>	<b>15,300</b>	<b>41,311</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	122,317	-	-	-	-	12,131	37,941
Support services	-	1,340	138,170	-	-	3,270	-
Noninstructional services	-	1,237,836	-	-	-	2,400	-
Facilities acquisition and construction	-	95,635	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>122,317</b>	<b>1,334,811</b>	<b>138,170</b>	<b>-</b>	<b>-</b>	<b>17,801</b>	<b>37,941</b>
Excess (deficiency) of receipts over disbursements	12,571	(27,988)	86,520	581	-	(2,501)	3,370
<b>Other financing sources (uses):</b>							
Transfers in	-	-	24,157	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>24,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,571	(27,988)	110,677	581	-	(2,501)	3,370
Cash and investments - beginning	126,705	541,833	33,083	12,563	6,208	3,025	-
<b>Cash and investments - ending</b>	<b>139,276</b>	<b>513,845</b>	<b>143,760</b>	<b>13,144</b>	<b>6,208</b>	<b>524</b>	<b>3,370</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 139,276	\$ 513,845	\$ 143,760	\$ 13,144	\$ 6,208	\$ 524	\$ 3,370
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>139,276</b>	<b>513,845</b>	<b>143,760</b>	<b>13,144</b>	<b>6,208</b>	<b>524</b>	<b>3,370</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	139,276	513,845	143,760	13,144	6,208	524	3,370
<b>Total cash and investment fund balance - ending</b>	<b>139,276</b>	<b>513,845</b>	<b>143,760</b>	<b>13,144</b>	<b>6,208</b>	<b>524</b>	<b>3,370</b>

WHITLEY COUNTY CONSOLIDATED 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)

	Petty Cash	Gifted and Talented FY07-08	Non-English Speaking Grant	Technology Grant	Title I FY07-08	Title I FY08-09	Title V, Part A FY07-08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 24,851	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	1,949	-	-	-	-
Federal sources	-	-	-	-	-	301,487	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>1,949</b>	<b>24,851</b>	<b>-</b>	<b>301,487</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	3,641	2,491	-	-	288,912	-
Support services	-	-	2,757	-	-	-	2,033
Noninstructional services	-	-	-	-	-	4,069	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,641</b>	<b>5,248</b>	<b>-</b>	<b>-</b>	<b>292,981</b>	<b>2,033</b>
Excess (deficiency) of receipts over disbursements	-	(3,641)	(3,299)	24,851	-	8,506	(2,033)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	6,284	-
Transfers out	-	-	-	-	(6,284)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,284)</b>	<b>6,284</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,641)	(3,299)	24,851	(6,284)	14,790	(2,033)
Cash and investments - beginning	300	3,641	3,350	2,753	6,284	-	5,101
Cash and investments - ending	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 27,604</u>	<u>\$ -</u>	<u>\$ 14,790</u>	<u>\$ 3,068</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 300	\$ -	\$ 51	\$ 27,604	\$ -	\$ 14,790	\$ 3,068
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 51</b>	<b>\$ 27,604</b>	<b>\$ -</b>	<b>\$ 14,790</b>	<b>\$ 3,068</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	300	-	51	27,604	-	14,790	3,068
<b>Total cash and investment fund balance - ending</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ 51</b>	<b>\$ 27,604</b>	<b>\$ -</b>	<b>\$ 14,790</b>	<b>\$ 3,068</b>

WHITLEY COUNTY CONSOLIDATED 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 V, Part A FY06-07	Title IV, Part A FY07-08	Title IV, Part A FY08-09	Title IV, Part A FY06-07	Medicaid Reimbursement Federal	Emergency Impact Aid
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	7,391	7,149	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>7,391</b>	<b>7,149</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	2,842	38,272	1,540	4,435	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,842</b>	<b>38,272</b>	<b>1,540</b>	<b>4,435</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(2,842)	(30,881)	5,609	(4,435)	-	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	32,116	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>32,116</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,842)	(30,881)	37,725	(4,435)	-	-
Cash and investments - beginning	2,842	32,000	-	4,435	3,561	512
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 37,725</u>	<u>\$ -</u>	<u>\$ 3,561</u>	<u>\$ 512</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 1,119	\$ 37,725	\$ -	\$ 3,561	\$ 512
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 37,725</u>	<u>\$ -</u>	<u>\$ 3,561</u>	<u>\$ 512</u>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,119	37,725	-	3,561	512
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 37,725</u>	<u>\$ -</u>	<u>\$ 3,561</u>	<u>\$ 512</u>

WHITLEY COUNTY CONSOLIDATED 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 II, Part A	Title III	Taxable Pension Bonds	School Bus Replacement	Repair/ Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 637,936	\$ 715,348	\$ -	\$ 2,350,902
Intermediate sources	-	-	-	-	-	581
State sources	-	-	-	-	-	256,714
Federal sources	96,641	365	-	-	-	908,513
Other	-	-	-	-	137,237	137,237
<b>Total receipts</b>	<b>96,641</b>	<b>365</b>	<b>637,936</b>	<b>715,348</b>	<b>137,237</b>	<b>3,653,947</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	57,708	655	-	-	-	525,796
Support services	1,785	-	-	710,118	73,564	980,126
Noninstructional services	-	-	-	-	-	1,244,305
Facilities acquisition and construction	-	-	-	-	-	95,635
Debt services	-	-	609,485	-	-	609,485
<b>Total disbursements</b>	<b>59,493</b>	<b>655</b>	<b>609,485</b>	<b>710,118</b>	<b>73,564</b>	<b>3,455,347</b>
Excess (deficiency) of receipts over disbursements	37,148	(290)	28,451	5,230	63,673	198,600
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	62,557
Transfers out	(32,116)	-	-	-	-	(38,400)
<b>Total other financing sources (uses)</b>	<b>(32,116)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,157</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,032	(290)	28,451	5,230	63,673	222,757
Cash and investments - beginning	59,493	928	52,766	118,308	4,009	1,023,700
Cash and investments - ending	<u>\$ 64,525</u>	<u>\$ 638</u>	<u>\$ 81,217</u>	<u>\$ 123,538</u>	<u>\$ 67,682</u>	<u>\$ 1,246,457</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 64,525	\$ 638	\$ -	\$ 123,538	\$ 67,682	\$ 1,165,240
<b>Restricted assets:</b>						
Cash and investments	-	-	81,217	-	-	81,217
<b>Total cash and investment assets - ending</b>	<b>\$ 64,525</b>	<b>\$ 638</b>	<b>\$ 81,217</b>	<b>\$ 123,538</b>	<b>\$ 67,682</b>	<b>\$ 1,246,457</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ 81,217	\$ -	\$ -	\$ 81,217
Unrestricted	64,525	638	-	123,538	67,682	1,165,240
<b>Total cash and investment fund balance - ending</b>	<b>\$ 64,525</b>	<b>\$ 638</b>	<b>\$ 81,217</b>	<b>\$ 123,538</b>	<b>\$ 67,682</b>	<b>\$ 1,246,457</b>

WHITLEY COUNTY CONSOLIDATED 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

	Special Education Preschool	School Lunch	Textbook Rental	Education License Plate	Alternative Education Grant	Early Intervention
<b>Receipts:</b>						
Local sources	\$ -	\$ 727,291	\$ 157,043	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	263	-	-
State sources	52,250	23,760	74,263	-	-	23,000
Federal sources	-	605,827	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<u>52,250</u>	<u>1,356,878</u>	<u>231,306</u>	<u>263</u>	<u>-</u>	<u>23,000</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	46,331	-	-	-	-	19,787
Support services	-	1,360	254,812	-	-	-
Noninstructional services	-	1,253,602	-	-	-	2,338
Facilities acquisition and construction	12,286	66,692	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<u>58,617</u>	<u>1,321,654</u>	<u>254,812</u>	<u>-</u>	<u>-</u>	<u>22,125</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(6,367)</u>	<u>35,224</u>	<u>(23,506)</u>	<u>263</u>	<u>-</u>	<u>875</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	2,205	-	-	-
Transfers out	(132,909)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(132,909)</u>	<u>-</u>	<u>2,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(139,276)</u>	<u>35,224</u>	<u>(21,301)</u>	<u>263</u>	<u>-</u>	<u>875</u>
<b>Cash and investments - beginning</b>	<u>139,276</u>	<u>513,845</u>	<u>143,760</u>	<u>13,144</u>	<u>6,208</u>	<u>524</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ 549,069</u>	<u>\$ 122,459</u>	<u>\$ 13,407</u>	<u>\$ 6,208</u>	<u>\$ 1,399</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 549,069	\$ 122,459	\$ 13,407	\$ 6,208	\$ 1,399
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 549,069</u>	<u>\$ 122,459</u>	<u>\$ 13,407</u>	<u>\$ 6,208</u>	<u>\$ 1,399</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	549,069	122,459	13,407	6,208	1,399
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 549,069</u>	<u>\$ 122,459</u>	<u>\$ 13,407</u>	<u>\$ 6,208</u>	<u>\$ 1,399</u>

WHITLEY COUNTY CONSOLIDATED 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)

	High Ability	Petty Cash	Non-English Speaking Grant	Technology Grant	Excess PTRC Distribution	Title I FY08-09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 26,480	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	40,691	-	1,686	-	407,007	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>40,691</b>	<b>-</b>	<b>1,686</b>	<b>26,480</b>	<b>407,007</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	18,782	-	1,449	-	-	-
Support services	-	-	-	9,747	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>18,782</b>	<b>-</b>	<b>1,449</b>	<b>9,747</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>21,909</b>	<b>-</b>	<b>237</b>	<b>16,733</b>	<b>407,007</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(14,790)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,790)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>21,909</b>	<b>-</b>	<b>237</b>	<b>16,733</b>	<b>407,007</b>	<b>(14,790)</b>
<b>Cash and investments - beginning</b>	<b>3,370</b>	<b>300</b>	<b>51</b>	<b>27,604</b>	<b>-</b>	<b>14,790</b>
<b>Cash and investments - ending</b>	<b>\$ 25,279</b>	<b>\$ 300</b>	<b>\$ 288</b>	<b>\$ 44,337</b>	<b>\$ 407,007</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 25,279	\$ 300	\$ 288	\$ 44,337	\$ 407,007	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 25,279</b>	<b>\$ 300</b>	<b>\$ 288</b>	<b>\$ 44,337</b>	<b>\$ 407,007</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	25,279	300	288	44,337	407,007	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 25,279</b>	<b>\$ 300</b>	<b>\$ 288</b>	<b>\$ 44,337</b>	<b>\$ 407,007</b>	<b>\$ -</b>

WHITLEY COUNTY CONSOLIDATED 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 FY09-10	Title V, Part A FY07-08	Title IV, Part A FY07-08	Title IV, Part A FY08-09	Title IV, Part A FY09-10	Medicaid Reimbursement Federal
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	311,073	1,990	-	-	9,749	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>311,073</b>	<b>1,990</b>	<b>-</b>	<b>-</b>	<b>9,749</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	289,687	1,990	-	-	-	-
Support services	2,385	3,068	1,119	36,082	10,065	-
Noninstructional services	4,808	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	3,561
<b>Total disbursements</b>	<b>296,880</b>	<b>5,058</b>	<b>1,119</b>	<b>36,082</b>	<b>10,065</b>	<b>3,561</b>
Excess (deficiency) of receipts over disbursements	14,193	(3,068)	(1,119)	(36,082)	(316)	(3,561)
<b>Other financing sources (uses):</b>						
Transfers in	14,790	-	-	-	41,980	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>14,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,980</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,983	(3,068)	(1,119)	(36,082)	41,664	(3,561)
Cash and investments - beginning	-	3,068	1,119	37,725	-	3,561
Cash and investments - ending	\$ 28,983	\$ -	\$ -	\$ 1,643	\$ 41,664	\$ -
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 28,983	\$ -	\$ -	\$ 1,643	\$ 41,664	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 28,983</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,643</b>	<b>\$ 41,664</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	28,983	-	-	1,643	41,664	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 28,983</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,643</b>	<b>\$ 41,664</b>	<b>\$ -</b>

WHITLEY COUNTY CONSOLIDATED 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)

	Emergency Impact Aid	Title II, Part A	Title III	Title I Stimulus	Special Education Stimulus	Special Ed Preschool Stimulus
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	41,980	1,464	123,783	239,085	28,708
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>41,980</b>	<b>1,464</b>	<b>123,783</b>	<b>239,085</b>	<b>28,708</b>
Disbursements:						
Current:						
Instruction	-	62,590	258	79,686	74,413	28,708
Support services	-	1,935	889	46,892	81,691	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	468	-	-	-	-	-
<b>Total disbursements</b>	<b>468</b>	<b>64,525</b>	<b>1,147</b>	<b>126,578</b>	<b>156,104</b>	<b>28,708</b>
Excess (deficiency) of receipts over disbursements	(468)	(22,545)	317	(2,795)	82,981	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(41,980)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(41,980)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(468)	(64,525)	317	(2,795)	82,981	-
Cash and investments - beginning	512	64,525	638	-	-	-
Cash and investments - ending	\$ 44	\$ -	\$ 955	\$ (2,795)	\$ 82,981	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 44	\$ -	\$ 955	\$ (2,795)	\$ 82,981	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 44</b>	<b>\$ -</b>	<b>\$ 955</b>	<b>\$ (2,795)</b>	<b>\$ 82,981</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	44	-	955	(2,795)	82,981	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 44</b>	<b>\$ -</b>	<b>\$ 955</b>	<b>\$ (2,795)</b>	<b>\$ 82,981</b>	<b>\$ -</b>

WHITLEY COUNTY CONSOLIDATED 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)

	New Technology ARRA 2009	Taxable Pension Bonds	School Bus Replacement	Repair/ Replacement	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ 750,045	\$ 257,544	\$ -	\$ 1,918,403
Intermediate sources	-	-	-	-	263
State sources	-	-	-	-	622,657
Federal sources	50,000	-	-	-	1,413,659
Other	-	-	-	17,631	17,631
<b>Total receipts</b>	<u>50,000</u>	<u>750,045</u>	<u>257,544</u>	<u>17,631</u>	<u>3,972,613</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	623,681
Support services	-	-	242,172	62,825	755,042
Noninstructional services	-	-	-	-	1,260,748
Facilities acquisition and construction	-	-	-	-	78,978
Debt services	-	617,172	-	-	617,172
Nonprogrammed charges	-	-	-	-	4,029
<b>Total disbursements</b>	<u>-</u>	<u>617,172</u>	<u>242,172</u>	<u>62,825</u>	<u>3,339,650</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>50,000</u>	<u>132,873</u>	<u>15,372</u>	<u>(45,194)</u>	<u>632,963</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	58,975
Transfers out	-	-	-	-	(189,679)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,704)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>50,000</u>	<u>132,873</u>	<u>15,372</u>	<u>(45,194)</u>	<u>502,259</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>81,217</u>	<u>123,538</u>	<u>67,682</u>	<u>1,246,457</u>
<b>Cash and investments - ending</b>	<u>\$ 50,000</u>	<u>\$ 214,090</u>	<u>\$ 138,910</u>	<u>\$ 22,488</u>	<u>\$ 1,748,716</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 50,000	\$ -	\$ 138,910	\$ 22,488	\$ 1,534,626
Restricted assets:					
Cash and investments	-	214,090	-	-	214,090
<b>Total cash and investment assets - ending</b>	<u>\$ 50,000</u>	<u>\$ 214,090</u>	<u>\$ 138,910</u>	<u>\$ 22,488</u>	<u>\$ 1,748,716</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ 214,090	\$ -	\$ -	\$ 214,090
Unrestricted	50,000	-	138,910	22,488	1,534,626
<b>Total cash and investment fund balance - ending</b>	<u>\$ 50,000</u>	<u>\$ 214,090</u>	<u>\$ 138,910</u>	<u>\$ 22,488</u>	<u>\$ 1,748,716</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009

	DEKKO Kindergarten	Adult Basic Education	Camp Whitley Donations	Miscellaneous Grants	Einstein Grants	Teaching Excellence
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 30,567	\$ -	\$ -
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	-	-	-	30,567	-	-
Deductions:						
Administrative and general	-	-	-	33,703	-	446
Deficiency of total additions over total deductions	-	-	-	(3,136)	-	(446)
Cash and investment fund balance - beginning	20,356	(11,067)	1,963	13,810	1,423	3,703
Cash and investments - ending	<u>\$ 20,356</u>	<u>\$ (11,067)</u>	<u>\$ 1,963</u>	<u>\$ 10,674</u>	<u>\$ 1,423</u>	<u>\$ 3,257</u>
Net assets:						
Cash and investments	\$ 20,356	\$ (11,067)	\$ 1,963	\$ 10,674	\$ 1,423	\$ 3,257
Total net assets - cash and investment basis held in trust	<u>\$ 20,356</u>	<u>\$ (11,067)</u>	<u>\$ 1,963</u>	<u>\$ 10,674</u>	<u>\$ 1,423</u>	<u>\$ 3,257</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	DEKKO Grant	DEKKO Celebrate Project	DEKKO Technology Project	Wal-Mart Foundation Grant	Totals
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 30,567
Investment earnings:					
Interest	-	-	630	-	630
Total additions	-	-	630	-	31,197
Deductions:					
Administrative and general	-	1,817	3,423	-	39,389
Deficiency of total additions over total deductions	-	(1,817)	(2,793)	-	(8,192)
Cash and investment fund balance - beginning	2,699	2,207	57,404	502	93,000
Cash and investments - ending	<u>\$ 2,699</u>	<u>\$ 390</u>	<u>\$ 54,611</u>	<u>\$ 502</u>	<u>\$ 84,808</u>
Net assets:					
Cash and investments	\$ 2,699	\$ 390	\$ 54,611	\$ 502	\$ 84,808
Total net assets - cash and investment basis held in trust	<u>\$ 2,699</u>	<u>\$ 390</u>	<u>\$ 54,611</u>	<u>\$ 502</u>	<u>\$ 84,808</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2010

	DEKKO Kindergarten	Adult Basic Education	Camp Whitley Donations	Miscellaneous Grants	Miscellaneous Grants Substitutes	Einstein Grants	Teaching Excellence
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ 70,410	\$ 1,558	\$ -	\$ 530
Deductions:							
Administrative and general	-	-	-	27,724	1,446	-	530
Excess (deficiency) of total additions over total deductions	-	-	-	42,686	112	-	-
Cash and investment fund balance - beginning	20,356	(11,067)	1,963	10,674	-	1,423	3,257
Cash and investments - ending	<u>\$ 20,356</u>	<u>\$ (11,067)</u>	<u>\$ 1,963</u>	<u>\$ 53,360</u>	<u>\$ 112</u>	<u>\$ 1,423</u>	<u>\$ 3,257</u>
Net assets:							
Cash and investments	<u>\$ 20,356</u>	<u>\$ (11,067)</u>	<u>\$ 1,963</u>	<u>\$ 53,360</u>	<u>\$ 112</u>	<u>\$ 1,423</u>	<u>\$ 3,257</u>
Total net assets - cash and investment basis held in trust	<u>\$ 20,356</u>	<u>\$ (11,067)</u>	<u>\$ 1,963</u>	<u>\$ 53,360</u>	<u>\$ 112</u>	<u>\$ 1,423</u>	<u>\$ 3,257</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	DEKKO Grant	DEKKO Celebrate Project	Project Lead The Way	DEKKO Technology Project	Wal-Mart Foundation Grant	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 30,583	\$ -	\$ -	\$ 103,081
Deductions:						
Administrative and general	-	377	21,280	-	265	51,622
Excess (deficiency) of total additions over total deductions	-	(377)	9,303	-	(265)	51,459
Cash and investment fund balance - beginning	2,699	390	-	54,611	502	84,808
Cash and investments - ending	<u>\$ 2,699</u>	<u>\$ 13</u>	<u>\$ 9,303</u>	<u>\$ 54,611</u>	<u>\$ 237</u>	<u>\$ 136,267</u>
Net assets:						
Cash and investments	<u>\$ 2,699</u>	<u>\$ 13</u>	<u>\$ 9,303</u>	<u>\$ 54,611</u>	<u>\$ 237</u>	<u>\$ 136,267</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,699</u>	<u>\$ 13</u>	<u>\$ 9,303</u>	<u>\$ 54,611</u>	<u>\$ 237</u>	<u>\$ 136,267</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

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:		
Whitley County Multi-School Building Corporation - 2007	\$ 24,230,000	\$ 1,503,000
Whitley County Multi-School Building Corporation - 2008	9,375,000	2,157,475
Whitley County Multi-School Building Corporation - 2009	1,990,000	150,000
Energy Conservation Measures	1,480,001	308,326
Notes and loans payable:		
Common School Fund Loan	21,239	22,195
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2003	2,805,000	388,310
Pension Bonds of 2005	<u>2,350,000</u>	<u>224,341</u>
Total governmental activities debt	<u>\$ 42,251,240</u>	<u>\$ 4,753,647</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the General Fund and Adult Basic Education Fund were overdrawn \$559,758 and \$11,067, respectively, at June 30, 2009. The cash balances of the General Fund, Adult Basic Education Fund, and Title I Stimulus Fund were overdrawn \$138,567, \$11,067, and \$2,795, respectively, at June 30, 2010. A similar comment appeared in prior Report B34102.

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)

CAPITAL ASSET RECORDS

A record of capital assets was prepared by an outside vendor at January 30, 2007. The records do not include land and no additions or deletions have been recorded since January 30, 2007. A similar comment appeared in prior Report B34102.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EXTRA-CURRICULAR ACCOUNT DEPOSITS (Applies to Coesse Elementary School)

Receipts were not always deposited within a reasonable time. \$340 in faculty pop machine receipts in one instance, was held for over three months before being deposited.

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

LATE PAYMENT OF POP PURCHASES (Applies to Coesse Elementary School)

Invoices for the faculty pop machine, were not paid timely. An invoice, for example dated November 11, 2009, was not paid until March 18, 2010.

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)

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

FINANCIAL REPORT (Applies to Northern Heights Elementary School)

The computerized Fund History Report for the school year ending May 31, 2009, was inaccurate. The beginning balance at June 1, 2008, did not agree with the ending balance at May 31, 2008, by \$152.

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 Extra-Curricular Accounts, Chapter 7)

FOUNDATION ACCOUNT ACTIVITY (Applies to Northern Heights Elementary School)

During the school year ended May 31, 2010, the Northern Heights Elementary extra-curricular account received \$1,000 in grants from the Whitley County Community Foundation for children needing financial help. During that same period, \$684 was disbursed to various families of Northern Heights Elementary students for financial help.

Cash donations that are extra-curricular in nature may be accounted for in the extra-curricular account. Any school corporation donations shall be accounted for in the school corporation records. The acceptance of these donations shall have prior approval by the Board of School Trustees. Either the school corporation treasurer or extra-curricular treasurer will be responsible for the accounting of these funds as applicable. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

EDUCATIONAL PURCHASES FROM EXTRA-CURRICULAR ACCOUNT  
(Applies to Northern Heights Elementary School)

\$2,641 in camera equipment was purchased from the Media Fund during the school year ended May 31, 2009. \$4,604 in leveled reading books and \$319 in office forms were purchased from the Student Activity Fund during the school year ended May 31, 2010.

All financial transactions related to the School Corporation should be accounted for in the School Corporation records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

Accordingly, . . . all disbursements for educational purposes must be made from school corporation funds and not from extra-curricular funds. . . . These include disbursements for building equipment, repairs and maintenance; educational and library materials, supplies and equipment; meeting and conference expense of employees; copiers; and, the repair and maintenance of same. Curricular and extra-curricular, though associated, are totally separate functions and each has a purpose and authorizing statute and must be treated separately. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

INVESTMENT MATURITY LIMITATIONS (Applies to Columbia City High School)

Columbia City High School has a \$15,000 certificate of deposit with a stated maturity of 42 months.

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

IC 5-13-9-5.6 states in part: ". . . investments made under this chapter must have a stated final maturity of not more than . . . two (2) years . . . after the date of purchase . . ."

NEGATIVE TRANSACTIONS (Applies to Columbia City High School)

Fund transfers are recorded as negative receipts in the fund making the disbursement and as positive receipts in the fund receiving the transfer.

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 Extra-Curricular Accounts, Chapter 7)

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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

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Web Site: [www.in.gov/sboa](http://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 WHITLEY COUNTY CONSOLIDATED  
SCHOOLS, WHITLEY COUNTY, INDIANA

Compliance

We have audited the compliance of Whitley County Consolidated 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 26, 2011

WHITLEY COUNTY CONSOLIDATED 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			
		FY 08-09	\$ 95,304	\$ -
		FY 09-10	-	114,418
Total for program			<u>95,304</u>	<u>114,418</u>
National School Lunch Program	10.555			
		FY 08-09	487,167	-
		FY 09-10	-	580,875
Total for program			<u>487,167</u>	<u>580,875</u>
Summer Food Service Program for Children	10.559			
		FY 09-10	-	11,473
Total for federal grantor agency			<u>582,471</u>	<u>706,766</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			
		09-8665	292,981	-
		10-8665	-	296,880
Total for program			<u>292,981</u>	<u>296,880</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-8665	-	126,579
Total for cluster			<u>292,981</u>	<u>423,459</u>
Pass-Through Huntington County Community School Corporation Special Education Cluster Special Education - Grants to States	84.027			
		14207-029-PY02	2,000	-
		14208-029-PY02	501	-
		14209-029-PN01	68,006	-
		14210-029-PN01	-	69,700
Total for program			<u>70,507</u>	<u>69,700</u>
Special Education - Preschool Grants	84.173			
		45709-029-PN01	31,814	-
		45710-029-PN01	-	31,018
Total for program			<u>31,814</u>	<u>31,018</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-029-SN01	-	156,105
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-029-SN01	-	28,708
Total for cluster			<u>102,321</u>	<u>285,531</u>

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2009 and 2010  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 08-09 FY 09-10	677,607 -	1,139,110 714,165
Total for cluster			<u>677,607</u>	<u>1,853,275</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	06-8665 07-8665 08-8665 09-8665	4,435 38,272 1,540 -	- 1,119 36,082 10,065
Total for program			<u>44,247</u>	<u>47,266</u>
State Grants for Innovative Programs	84.298	06-8665 07-8665	2,842 2,033	- 5,058
Total for program			<u>4,875</u>	<u>5,058</u>
Pass-Through Region 8 Education Service Center English Language Acquisition Grants	84.365	07-8665 08-8665 09-8665	655 - -	273 365 509
Total for program			<u>655</u>	<u>1,147</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367	07-8665 08-8665	59,493 -	- 64,525
Total for program			<u>59,493</u>	<u>64,525</u>
Hurricane Education Recovery	84.938	FY 09-10	-	468
Total for federal grantor agency			<u>1,182,179</u>	<u>2,680,729</u>
Total federal awards expended			<u>\$ 1,764,650</u>	<u>\$ 3,387,495</u>

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

WHITLEY COUNTY CONSOLIDATED 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 Whitley County Consolidated 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. 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	For the Year Ended June 30, 2009	For the Year Ended June 30, 2010
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 14,233	\$ 16,610
National School Lunch Program	10.555	<u>72,757</u>	<u>84,328</u>
Total for cluster		<u>\$ 86,990</u>	<u>\$ 100,938</u>

WHITLEY COUNTY CONSOLIDATED 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  
Special Education Cluster  
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

WHITLEY COUNTY CONSOLIDATED SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 26, 2011 with Anthony G. Zickgraf, Treasurer; Dr. Patricia O'Connor, Superintendent of Schools; and Jenny Grable, Deputy Treasurer.