

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

AUDIT REPORT

OF

SWITZERLAND COUNTY SCHOOL CORPORATION

SWITZERLAND 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	Wilma Swango	07-01-08 to 06-30-11
Superintendent of Schools	Elizabeth Tharp Jones	07-01-08 to 06-30-11
President of the School Board	Andy Truitt James Phipps Andy Truitt	01-01-08 to 12-31-08 01-01-09 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE SWITZERLAND COUNTY SCHOOL
CORPORATION, SWITZERLAND COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Switzerland County School Corporation (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 February 8, 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 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 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

February 8, 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 THE SWITZERLAND COUNTY SCHOOL
CORPORATION, SWITZERLAND COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Switzerland County School Corporation (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 February 8, 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

February 8, 2011

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 6,327,416	\$ -	\$ 83,902	\$ (6,243,514)	
Support services	4,838,163	300,186	317,544	(4,220,433)	
Noninstructional services	653,002	-	-	(653,002)	
Facilities acquisition and construction	390,874	-	-	(390,874)	
Debt service	854,812	-	-	(854,812)	
Nonprogrammed charges	870,687	-	-	(870,687)	
Total governmental activities	\$ 13,934,954	\$ 300,186	\$ 401,446	(13,233,322)	
General receipts:					
Property taxes				4,875,470	
Other local sources				1,588,000	
State aid				7,389,621	
Bonds and loans				301,609	
Grants and contributions not restricted to specific programs				1,514,470	
Investment earnings				38,234	
Other				19,817	
Total general receipts				15,727,221	
Change in net assets				2,493,899	
Net assets - beginning				2,175,817	
Net assets - ending				\$ 4,669,716	
<u>Assets</u>					
Cash and investments				\$ 3,885,948	
Restricted assets:					
Cash and investments				783,768	
Total assets				\$ 4,669,716	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 537,652	
Other purposes				246,116	
Unrestricted				3,885,948	
Total net assets				\$ 4,669,716	

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

SWITZERLAND COUNTY SCHOOL CORPORATION
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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 6,883,332	\$ -	\$ 56,941	\$ (6,826,391)
Support services	4,394,893	318,641	371,389	(3,704,863)
Noninstructional services	533,589	-	-	(533,589)
Facilities acquisition and construction	3,313,784	-	-	(3,313,784)
Debt service	797,582	-	-	(797,582)
Nonprogrammed charges	870,811	-	-	(870,811)
Total governmental activities	<u>\$ 16,793,991</u>	<u>\$ 318,641</u>	<u>\$ 428,330</u>	<u>(16,047,020)</u>
General receipts:				
Property taxes				4,236,944
Other local sources				1,121,202
State aid				9,736,005
Bonds and loans				2,149,990
Grants and contributions not restricted to specific programs				1,076,119
Sale of property				1,200
Investment earnings				48,054
Other				64,929
Total general receipts				<u>18,434,443</u>
Change in net assets				2,387,423
Net assets - beginning				<u>4,669,714</u>
Net assets - ending				<u>\$ 7,057,137</u>
Assets				
Cash and investments				\$ 6,301,406
Restricted assets:				
Cash and investments				<u>755,731</u>
Total assets				<u>\$ 7,057,137</u>
Net Assets				
Restricted for:				
Debt service				\$ 489,261
Other purposes				266,470
Unrestricted				<u>6,301,406</u>
Total net assets				<u>\$ 7,057,137</u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Rainy Day	Federal Stabilization Education Stimulation	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,608,644	\$ 305,477	\$ -	\$ 246,302	\$ 1,277,460	\$ 571,089	\$ 1,792,006	\$ 6,800,978
Intermediate sources	743	-	-	-	-	-	169	912
State sources	7,471,738	-	-	-	-	-	54,276	7,526,014
Federal sources	9,449	-	839,485	-	-	-	930,589	1,779,523
Temporary loans	-	-	-	-	-	-	301,609	301,609
Other	2,866	-	-	-	14,891	-	2,060	19,817
Total receipts	10,093,440	305,477	839,485	246,302	1,292,351	571,089	3,080,709	16,428,853
Disbursements:								
Current:								
Instruction	6,218,232	-	-	-	-	-	389,029	6,607,261
Support services	2,829,603	-	-	-	484,593	279,940	1,430,591	5,024,727
Noninstructional services	39,650	-	-	-	-	-	613,352	653,002
Facilities acquisition and construction	-	-	-	-	390,874	-	-	390,874
Debt services	-	-	-	550,275	-	-	304,537	854,812
Nonprogrammed charges	555,984	-	-	-	-	-	48,125	604,109
Total disbursements	9,643,469	-	-	550,275	875,467	279,940	2,785,634	14,134,785
Excess (deficiency) of receipts over disbursements	449,971	305,477	839,485	(303,973)	416,884	291,149	295,075	2,294,068
Other financing sources (uses):								
Transfers in	20,058	-	-	-	-	-	-	20,058
Transfers out	-	-	-	-	-	-	(20,058)	(20,058)
Total other financing sources (uses)	20,058	-	-	-	-	-	(20,058)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	470,029	305,477	839,485	(303,973)	416,884	291,149	275,017	2,294,068
Cash and investments - beginning	438,683	200,000	-	841,625	259,102	217,103	173,019	2,129,532
Cash and investments - ending	<u>\$ 908,712</u>	<u>\$ 505,477</u>	<u>\$ 839,485</u>	<u>\$ 537,652</u>	<u>\$ 675,986</u>	<u>\$ 508,252</u>	<u>\$ 448,036</u>	4,423,600
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								246,116
Net assets of governmental activities								<u>\$ 4,669,716</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 908,712	\$ 505,477	\$ 839,485	\$ -	\$ 675,986	\$ 508,252	\$ 448,036	\$ 3,885,948
Restricted assets:								
Cash and investments	-	-	-	537,652	-	-	-	537,652
Total cash and investment assets - ending	<u>\$ 908,712</u>	<u>\$ 505,477</u>	<u>\$ 839,485</u>	<u>\$ 537,652</u>	<u>\$ 675,986</u>	<u>\$ 508,252</u>	<u>\$ 448,036</u>	<u>\$ 4,423,600</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 537,652	\$ -	\$ -	\$ -	\$ 537,652
Unrestricted	908,712	505,477	839,485	-	675,986	508,252	448,036	3,885,948
Total cash and investment fund balance - ending	<u>\$ 908,712</u>	<u>\$ 505,477</u>	<u>\$ 839,485</u>	<u>\$ 537,652</u>	<u>\$ 675,986</u>	<u>\$ 508,252</u>	<u>\$ 448,036</u>	<u>\$ 4,423,600</u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Rainy Day	Federal Stabilization Education Stimulation	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 272,081	\$ 57,645	\$ -	\$ 447,582	\$ 2,810,220	\$ 126,099	\$ 2,010,434	\$ 5,724,061
Intermediate sources	743	-	-	-	-	-	38	781
State sources	9,792,025	-	-	-	-	-	34,663	9,826,688
Federal sources	-	-	303,084	-	-	-	1,110,681	1,413,765
Temporary loans	-	-	-	-	-	-	749,990	749,990
Other	4,831	-	-	-	-	59,476	622	64,929
Total receipts	10,069,680	57,645	303,084	447,582	2,810,220	185,575	3,906,428	17,780,214
Disbursements:								
Current:								
Instruction	5,255,865	-	983,729	-	-	-	643,738	6,883,332
Support services	2,693,390	56,061	158,840	-	522,097	15,238	1,135,927	4,581,553
Noninstructional services	52,469	-	-	-	-	-	605,560	658,029
Facilities acquisition and construction	-	261,307	-	-	1,354,757	-	1,697,720	3,313,784
Debt services	-	-	-	495,973	-	-	301,609	797,582
Nonprogrammed charges	552,566	-	-	-	-	-	27,500	580,066
Total disbursements	8,554,290	317,368	1,142,569	495,973	1,876,854	15,238	4,412,054	16,814,346
Excess (deficiency) of receipts over disbursements	1,515,390	(259,723)	(839,485)	(48,391)	933,366	170,337	(505,626)	965,868
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	1,400,000	1,400,000
Sale of capital assets	-	-	-	-	-	-	1,200	1,200
Transfers in	169,880	-	-	-	-	-	-	169,880
Transfers out	-	-	-	-	-	-	(169,880)	(169,880)
Total other financing sources (uses)	169,880	-	-	-	-	-	1,231,320	1,401,200
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,685,270	(259,723)	(839,485)	(48,391)	933,366	170,337	725,694	2,367,068
Cash and investments - beginning	908,712	505,477	839,485	537,652	675,985	508,252	448,036	4,423,599
Cash and investments - ending	\$ 2,593,982	\$ 245,754	\$ -	\$ 489,261	\$ 1,609,351	\$ 678,589	\$ 1,173,730	\$ 6,790,667
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								266,470
Net assets of governmental activities								<u>\$ 7,057,137</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 2,593,982	\$ 245,754	\$ -	\$ -	\$ 1,609,351	\$ 678,589	\$ 1,173,730	\$ 6,301,406
Restricted assets:								
Cash and investments	-	-	-	489,261	-	-	-	489,261
Total cash and investment assets - ending	\$ 2,593,982	\$ 245,754	\$ -	\$ 489,261	\$ 1,609,351	\$ 678,589	\$ 1,173,730	\$ 6,790,667
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 489,261	\$ -	\$ -	\$ -	\$ 489,261
Unrestricted	2,593,982	245,754	-	-	1,609,351	678,589	1,173,730	6,301,406
Total cash and investment fund balance - ending	\$ 2,593,982	\$ 245,754	\$ -	\$ 489,261	\$ 1,609,351	\$ 678,589	\$ 1,173,730	\$ 6,790,667

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

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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 466,409
Operating disbursements:	
Insurance claims and expense	<u>266,578</u>
Excess of operating receipts over operating disbursements	199,831
Cash and investment fund balance - beginning	<u>46,285</u>
Cash and investment fund balance - ending	<u>\$ 246,116</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 246,116
Total cash and investment assets - ending	<u>\$ 246,116</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 246,116
Total cash and investment fund balance - ending	<u>\$ 246,116</u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 311,100
Operating disbursements:	
Insurance claims and expense	290,745
Excess of operating receipts over operating disbursements	20,355
Cash and investment fund balance - beginning	246,115
Cash and investment fund balance - ending	\$ 266,470
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 266,470
Total cash and investment assets - ending	\$ 266,470
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 266,470
Total cash and investment fund balance - ending	\$ 266,470

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

SWITZERLAND COUNTY SCHOOL CORPORATION
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	\$ <u>187,392</u>
Deductions:	
Administrative and general	<u>295,858</u>
Deficiency of total additions over total deductions	(108,466)
Cash and investment fund balance - beginning	<u>241,721</u>
Cash and investment fund balance - ending	<u>\$ 133,255</u>
Net assets:	
Cash and investments	<u>\$ 133,255</u>
Total net assets - cash and investment basis held in trust	<u>\$ 133,255</u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION
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>15,845</u>
Deductions:	
Administrative and general	<u>143,375</u>
Deficiency of total additions over total deductions	(127,530)
Cash and investment fund balance - beginning	<u>133,256</u>
Cash and investment fund balance - ending	<u><u>\$ 5,726</u></u>
Net assets:	
Cash and investments	<u>\$ 5,726</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 5,726</u></u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Switzerland County School Corporation

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

Joint Ventures

The School Corporation is a participant in a joint venture to operate Madison Area Special Services Unit which was created to provide special education services to handicapped children. The School Corporation is obligated by contract to remit \$440,014 annually to supplement the Madison Area Special Services Unit. Complete financial statements for the Madison Area Special Services Unit can be obtained from the Special Services Unit's Administration Office in Madison, Indiana.

The School Corporation is a participant in a joint venture to operate Southeastern Career Center which was created to provide vocational education services. The School Corporation is obligated by contract to remit \$163,724 annually to supplement the Southeastern Career Center. Complete financial statements for the Southeastern Career Center can be obtained from the Career Center's Administration Office in Versailles, Indiana.

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. However, at this time, the School Corporation has no 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,

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

The federal stabilization education stimulation fund accounts for monies received from the federal government to be used for general school purposes.

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.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for all receipts and disbursements from the School Corporation's self-insurance fund.

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

C. Measurement Focus and Basis of Accounting

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

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

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.

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. 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 December 31 of the year collected.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

1. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
2. 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 as follows:

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

SWITZERLAND COUNTY SCHOOL CORPORATION
 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

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied 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 and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009	2010
Textbook Rental Fund	\$ 97,495	\$ -
Title V-A Innovative Fund	-	17,500

The cash and investment deficit balance in the Text Book Rental Fund was the result of unpaid book rental fees.

The cash and investment deficit balance in the Title V-A Innovative Fund was the result of a grant operating on the reimbursement basis.

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 \$7,225,205.

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.

2. Investments

Statutory Authorization for Investments

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

SWITZERLAND COUNTY SCHOOL CORPORATION
 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
Other Governmental Funds	General Fund	<u>\$ 20,058</u>	<u>\$ 169,880</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent changes that have been made to the financial statements to more appropriately reflect financial activity of the School Corporation.

Opinion Unit	Balance as Reported June 30, 2008	Fund Reclassification	Balance as Restated July 1, 2008
Proprietary funds	\$ -	\$ 46,285	\$ 46,285
Private Purpose Trust funds		241,721	241,721
Governmental funds	2,417,538	(288,006)	2,129,532

IV. Other Information

A. Risk Management

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

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

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

Effective January 2011, the School Corporation became self-insured for the risk of loss associated with medical benefits to employees and purchased a stop loss insurance coverage policy to cover loss in excess of \$50,000. During the audit period, the School Corporation began accumulated funds in an internal service fund to help finance this risk.

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Anthem Blue Cross/Blue Shield is a single-employer defined benefit healthcare plan administered by Anthem. The plan provides medical and life to eligible retirees and their spouses. Plan is the same for all employees per School Board policy and Master Teacher Contract assigns the authority to establish and amend benefit provisions to the School Corporation. The Anthem Blue Cross/Blue Shield issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Anthem
220 Virginia Avenue
Indianapolis, IN 46204
317-287-7163

Funding Policy

The contribution requirements of plan members for the Anthem Blue Cross/Blue Shield 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 \$17,269 to the plan for current premiums (approximately 19% of total premiums). Plan members receiving benefits contributed \$73,654, or approximately 81% of the total premiums, through their required contribution of \$567 per month for retiree-only coverage and \$1,109 for retiree and spouse coverage. For the year ended June 30, 2010, the School Corporation contributed \$19,936 to the plan for current premiums (approximately 21.3% of total premiums). Plan members receiving benefits contributed \$73,583, or approximately 78.7% of the total premiums, through their required contribution of \$402 per month for retiree-only coverage and \$985 for retiree and spouse coverage.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$289,462.

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$333,792.

SWITZERLAND COUNTY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 2,254,036	\$ 2,569,032	\$ (314,996)	88%	\$ 1,692,207	(19%)
07-01-08	2,288,161	2,561,228	(273,067)	89%	1,679,683	(16%)
07-01-09	2,225,952	2,703,253	(477,301)	82%	1,777,362	(27%)

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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plates
Receipts:						
Local sources	\$ 1,272,049	\$ 6,264	\$ 300,384	\$ 183,387	\$ -	\$ 38
Intermediate sources	-	-	-	-	-	169
State sources	-	45,731	6,760	-	-	-
Federal sources	-	-	301,335	-	-	-
Temporary loans	301,609	-	-	-	-	-
Other	2,060	-	-	-	-	-
Total receipts	1,575,718	51,995	608,479	183,387	-	207
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	1,024,304	-	80	186,461	-	-
Noninstructional services	-	-	608,369	-	-	-
Debt services	304,537	-	-	-	-	-
Nonprogrammed charges	-	48,125	-	-	-	-
Total disbursements	1,328,841	48,125	608,449	186,461	-	-
Excess (deficiency) of receipts over disbursements	246,877	3,870	30	(3,074)	-	207
Other financing uses:						
Transfers out	-	-	-	(20,057)	(1)	-
Total other financing sources (uses)	-	-	-	(20,057)	(1)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	246,877	3,870	30	(23,131)	(1)	207
Cash and investments - beginning	5,890	99,336	50,789	(74,364)	1	3,928
Cash and investments - ending	<u>\$ 252,767</u>	<u>\$ 103,206</u>	<u>\$ 50,819</u>	<u>\$ (97,495)</u>	<u>\$ -</u>	<u>\$ 4,135</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 252,767	\$ 103,206	\$ 50,819	\$ (97,495)	\$ -	\$ 4,135
Total cash and investment assets - ending	\$ 252,767	\$ 103,206	\$ 50,819	\$ (97,495)	\$ -	\$ 4,135
Cash and Investment Fund Balance - Ending						
Unrestricted	252,767	103,206	50,819	(97,495)	-	4,135
Total cash and investment fund balance - ending	\$ 252,767	\$ 103,206	\$ 50,819	\$ (97,495)	\$ -	\$ 4,135

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

	School Technology	Technology Planning Grant	Access Indiana Training Grant	Title I 2007-2008	Title V	Steward Homeless Assistance Act
Receipts:						
Local sources	\$ 29,884	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	1,785	-	-	-	-
Federal sources	-	-	-	425,110	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	29,884	1,785	-	425,110	-	-
Disbursements:						
Current:						
Instruction	-	251	-	372,824	3,900	-
Support services	13,794	1,400	1,307	23,633	-	9,773
Noninstructional services	-	-	-	4,983	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	13,794	1,651	1,307	401,440	3,900	9,773
Excess (deficiency) of receipts over disbursements	16,090	134	(1,307)	23,670	(3,900)	(9,773)
Other financing uses:						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,090	134	(1,307)	23,670	(3,900)	(9,773)
Cash and investments - beginning	38,545	274	2,500	22,171	3,900	9,773
Cash and investments - ending	<u>\$ 54,635</u>	<u>\$ 408</u>	<u>\$ 1,193</u>	<u>\$ 45,841</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 54,635	\$ 408	\$ 1,193	\$ 45,841	\$ -	\$ -
Total cash and investment assets - ending	<u>\$ 54,635</u>	<u>\$ 408</u>	<u>\$ 1,193</u>	<u>\$ 45,841</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	54,635	408	1,193	45,841	-	-
Total cash and investment fund balance - ending	<u>\$ 54,635</u>	<u>\$ 408</u>	<u>\$ 1,193</u>	<u>\$ 45,841</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Title IV-A Safe & Drug Free Schools	Title IV-A Drug Free SY 08-09	Vocational and Technical Board Grant	Title II A Teacher Quality SY 08-09	Title II Part D Technology	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,792,006
Intermediate sources	-	-	-	-	-	169
State sources	-	-	-	-	-	54,276
Federal sources	-	6,104	-	20,000	178,040	930,589
Temporary loans	-	-	-	-	-	301,609
Other	-	-	-	-	-	2,060
Total receipts	-	6,104	-	20,000	178,040	3,080,709
Disbursements:						
Current:						
Instruction	7,850	4,204	-	-	-	389,029
Support services	-	-	-	-	169,839	1,430,591
Noninstructional services	-	-	-	-	-	613,352
Debt services	-	-	-	-	-	304,537
Nonprogrammed charges	-	-	-	-	-	48,125
Total disbursements	7,850	4,204	-	-	169,839	2,785,634
Excess (deficiency) of receipts over disbursements	(7,850)	1,900	-	20,000	8,201	295,075
Other financing uses:						
Transfers out	-	-	-	-	-	(20,058)
Total other financing sources (uses)	-	-	-	-	-	(20,058)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,850)	1,900	-	20,000	8,201	275,017
Cash and investments - beginning	7,850	-	2,426	-	-	173,019
Cash and investments - ending	\$ -	\$ 1,900	\$ 2,426	\$ 20,000	\$ 8,201	\$ 448,036
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,900	\$ 2,426	\$ 20,000	\$ 8,201	\$ 448,036
Total cash and investment assets - ending	\$ -	\$ 1,900	\$ 2,426	\$ 20,000	\$ 8,201	\$ 448,036
Cash and Investment Fund Balance - Ending						
Unrestricted	-	1,900	2,426	20,000	8,201	448,036
Total cash and investment fund balance - ending	\$ -	\$ 1,900	\$ 2,426	\$ 20,000	\$ 8,201	\$ 448,036

SWITZERLAND COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Education License Plates	School Technology	Technology Planning Grant
Receipts:							
Local sources	\$ 1,452,831	\$ -	\$ 311,725	\$ 212,289	\$ 19	\$ 26,783	\$ -
Intermediate sources	-	-	-	-	38	-	-
State sources	-	27,500	6,243	-	-	-	920
Federal sources	-	-	365,146	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	622	-	-	-	-	-	-
Total receipts	1,453,453	27,500	683,114	212,289	57	26,783	920
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	1,095,250	-	319	1,441	4,055	230	319
Noninstructional services	-	-	600,970	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	301,609	-	-	-	-	-	-
Nonprogrammed charges	-	27,500	-	-	-	-	-
Total disbursements	1,396,859	27,500	601,289	1,441	4,055	230	319
Excess (deficiency) of receipts over disbursements	56,594	-	81,825	210,848	(3,998)	26,553	601
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	1,200	-	-	-	-	-	-
Transfers out	-	(103,205)	-	(51,474)	-	-	-
Total other financing sources (uses)	1,200	(103,205)	-	(51,474)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57,794	(103,205)	81,825	159,374	(3,998)	26,553	601
Cash and investments - beginning	252,767	103,205	50,818	(97,494)	4,135	54,636	408
Cash and investments - ending	\$ 310,561	\$ -	\$ 132,643	\$ 61,880	\$ 137	\$ 81,189	\$ 1,009
Cash and Investment Assets - Ending							
Cash and investments	\$ 310,561	\$ -	\$ 132,643	\$ 61,880	\$ 137	\$ 81,189	\$ 1,009
Total cash and investment assets - ending	\$ 310,561	\$ -	\$ 132,643	\$ 61,880	\$ 137	\$ 81,189	\$ 1,009
Cash and Investment Fund Balance - Ending							
Unrestricted	310,561	-	132,643	61,880	137	81,189	1,009
Total cash and investment fund balance - ending	\$ 310,561	\$ -	\$ 132,643	\$ 61,880	\$ 137	\$ 81,189	\$ 1,009

SWITZERLAND COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Access Indiana Training Grant	Title I 2007-2008	Title I 2009-2010	Title V-A Innovative	Drug Free Title IV-A 2009-2010	Vocational and Technical	Title II, Part A 2009-2010
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	32,942	394,441	990	7,833	-	87,981
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	32,942	394,441	990	7,833	-	87,981
Disbursements:							
Current:							
Instruction	-	76,867	367,671	17,500	9,733	-	-
Support services	1,193	469	11,708	990	-	2,426	407
Noninstructional services	-	1,447	3,143	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,193	78,783	382,522	18,490	9,733	2,426	407
Excess (deficiency) of receipts over disbursements	(1,193)	(45,841)	11,919	(17,500)	(1,900)	(2,426)	87,574
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,193)	(45,841)	11,919	(17,500)	(1,900)	(2,426)	87,574
Cash and investments - beginning	1,193	45,841	-	-	1,900	2,426	-
Cash and investments - ending	\$ -	\$ -	\$ 11,919	\$ (17,500)	\$ -	\$ -	\$ 87,574
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 11,919	\$ (17,500)	\$ -	\$ -	\$ 87,574
Total cash and investment assets - ending	\$ -	\$ -	\$ 11,919	\$ (17,500)	\$ -	\$ -	\$ 87,574
Cash and Investment Fund Balance - Ending							
Unrestricted	-	-	11,919	(17,500)	-	-	87,574
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 11,919	\$ (17,500)	\$ -	\$ -	\$ 87,574

SWITZERLAND COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title II A Teacher Quality 2008-2009	Title II, Part D Technology	Title I Stimulus	Construction	Construction Energy Savings	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 6,787	\$ -	\$ 2,010,434
Intermediate sources	-	-	-	-	-	38
State sources	-	-	-	-	-	34,663
Federal sources	68,556	24,050	128,742	-	-	1,110,681
Temporary loans	-	-	-	-	749,990	749,990
Other	-	-	-	-	-	622
Total receipts	68,556	24,050	128,742	6,787	749,990	3,906,428
Disbursements:						
Current:						
Instruction	54,237	-	117,730	-	-	643,738
Support services	1,256	15,624	240	-	-	1,135,927
Noninstructional services	-	-	-	-	-	605,560
Facilities acquisition and construction	-	-	-	947,730	749,990	1,697,720
Debt services	-	-	-	-	-	301,609
Nonprogrammed charges	-	-	-	-	-	27,500
Total disbursements	55,493	15,624	117,970	947,730	749,990	4,412,054
Excess (deficiency) of receipts over disbursements	13,063	8,426	10,772	(940,943)	-	(505,626)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	1,400,000	-	1,400,000
Sale of capital assets	-	-	-	-	-	1,200
Transfers out	-	(15,201)	-	-	-	(169,880)
Total other financing sources (uses)	-	(15,201)	-	1,400,000	-	1,231,320
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,063	(6,775)	10,772	459,057	-	725,694
Cash and investments - beginning	20,000	8,201	-	-	-	448,036
Cash and investments - ending	\$ 33,063	\$ 1,426	\$ 10,772	\$ 459,057	\$ -	\$ 1,173,730
Cash and Investment Assets - Ending						
Cash and investments	\$ 33,063	\$ 1,426	\$ 10,772	\$ 459,057	\$ -	\$ 1,173,730
Total cash and investment assets - ending	\$ 33,063	\$ 1,426	\$ 10,772	\$ 459,057	\$ -	\$ 1,173,730
Cash and Investment Fund Balance - Ending						
Unrestricted	33,063	1,426	10,772	459,057	-	1,173,730
Total cash and investment fund balance - ending	\$ 33,063	\$ 1,426	\$ 10,772	\$ 459,057	\$ -	\$ 1,173,730

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

	<u>Endowment and Grants</u>	<u>American Legion Educator of the Year</u>	<u>Dow Corning Science Grant 2008-2009</u>	<u>Vevay Switzerland County Foundation Grants</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 176,842	\$ 1,000	\$ 5,000	\$ 4,550	\$ 187,392
Deductions:					
Administrative and general	287,648	879	3,893	3,438	295,858
Excess (deficiency) of total additions over total deductions	(110,806)	121	1,107	1,112	(108,466)
Cash and investment - beginning	241,721	-	-	-	241,721
Cash and investments - ending	<u>\$ 130,915</u>	<u>\$ 121</u>	<u>\$ 1,107</u>	<u>\$ 1,112</u>	<u>\$ 133,255</u>
Net assets:					
Cash and investments	\$ 130,915	\$ 121	\$ 1,107	\$ 1,112	\$ 133,255
Total net assets - cash and investment basis held in trust	<u>\$ 130,915</u>	<u>\$ 121</u>	<u>\$ 1,107</u>	<u>\$ 1,112</u>	<u>\$ 133,255</u>

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

	Endowment and Grants	American Legion Educator of the Year	Dow Corning Science Grant 2008-2009	Vevay Switzerland County Foundation Grants	Scat Grant 2008-2009	Totals
Additions:						
Contributions:						
Other	\$ 1,395	\$ -	\$ 5,000	\$ 8,450	\$ 1,000	\$ 15,845
Deductions:						
Administrative and general	132,311	121	1,807	8,136	1,000	143,375
Excess (deficiency) of total additions over total deductions	(130,916)	(121)	3,193	314	-	(127,530)
Cash and investment - beginning	130,916	121	1,107	1,112	-	133,256
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,300</u>	<u>\$ 1,426</u>	<u>\$ -</u>	<u>\$ 5,726</u>
Net assets:						
Cash and investments	\$ -	\$ -	\$ 4,300	\$ 1,426	\$ -	\$ 5,726
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,300</u>	<u>\$ 1,426</u>	<u>\$ -</u>	<u>\$ 5,726</u>

SWITZERLAND COUNTY SCHOOL CORPORATION
 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:		
Loans payable:		
Common school	\$ 4,132,477	\$ 442,604
Bonds payable:		
General obligation bonds:		
Renovation and repairs at Jeff Craig Elementary	<u>1,355,000</u>	<u>95,740</u>
Total governmental activities debt	<u>\$ 5,487,477</u>	<u>\$ 538,344</u>

SWITZERLAND COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CAPITAL ASSET RECORD

Information presented for audit indicated that the Capital Asset Ledger Form 369 or any other approved form was not being maintained to account for the School Corporation's capital assets.

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 Asset 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)

A similar comment was included in prior Report B34347.

OVERDRAWN FUND BALANCE

The Text Book Rental Fund was overdrawn in the amount of \$97,495 at June 30, 2009.

The deficit cash balance in the fund resulted from the nonpayment of rental fees by students from prior years. During 2009-2010 school year, other Corporation funds were used to eliminate the deficit fund balance. Currently, the School Corporation's Community Foundation pays to the Corporation all current year textbook rental fees owed by students.

The 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)

A similar comment was included in prior Report B34347.

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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
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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 SWITZERLAND COUNTY SCHOOL
CORPORATION, SWITZERLAND COUNTY, INDIANA

Compliance

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

February 8, 2011

SWITZERLAND COUNTY SCHOOL CORPORATION
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.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553			
		FY 09	\$ 79,147	\$ -
		FY 10	-	99,798
National School Lunch Program				
	10.555			
		FY 09	262,821	-
		FY 10	-	316,220
Total for federal grantor agency			<u>341,968</u>	<u>416,018</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010			
		08-7775	41,923	-
		09-7775	359,516	68,594
		10-7775	-	382,523
Total for program			<u>401,439</u>	<u>451,117</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
	84.389			
		FY 10	-	117,970
Total for cluster			<u>401,439</u>	<u>569,087</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund				
(SFSF) - Education State Grants, Recovery Act				
	84.394		-	1,142,570
Safe and Drug-Free Schools and Communities - State Grants				
	84.186			
		07-7775	7,850	-
		08-7775	4,204	1,900
		09-7775	-	7,833
Total for program			<u>12,054</u>	<u>9,733</u>
State Grants for Innovative Programs				
	84.298			
		07-7775	3,900	-
		07-7775	-	990
Total for program			<u>3,900</u>	<u>990</u>
Education Technology State Grants Cluster				
Education Technology State Grants				
	84.318			
		S318X070014	168,040	-
		S318X080014	1,799	30,825
Total for program			<u>169,839</u>	<u>30,825</u>
Improving Teacher Quality State Grants				
	84.367			
		08-7775	-	55,493
		09-7775	-	407
Total for program			<u>-</u>	<u>55,900</u>
Total for federal grantor agency			<u>587,232</u>	<u>1,809,105</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Pass-Through Indiana Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
	97.036			
			9,449	-
Total federal awards expended			<u>\$ 938,649</u>	<u>\$ 2,225,123</u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Switzerland County School Corporation (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	2009	2010
School Breakfast Program	10.553	\$ 11,979	\$ 12,747
National School Lunch Program	10.555	32,296	40,769

SWITZERLAND COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster
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? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SWITZERLAND COUNTY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SWITZERLAND COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2011, with Elizabeth Tharp Jones, Superintendent of Schools; Wilma Swango, Treasurer; Andy Truitt, President of the School Board; and Cindy Haskell, Deputy Treasurer.