

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

AUDIT REPORT  
OF  
MADISON CONSOLIDATED SCHOOLS  
JEFFERSON COUNTY, INDIANA  
July 1, 2008 to June 30, 2010



**FILED**  
03/01/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Charlene O'Connell	07-01-08 to 06-30-11
Director of Finance	Kathy M. May	07-01-08 to 06-30-11
Superintendent of Schools	Dr. Thomas G. Patterson	07-01-08 to 06-30-11
President of the School Board	Andrew D. Lytle Helen L. Cope Greg Bentz Andrew D. Lytle	01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10 01-01-11 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 MADISON CONSOLIDATED SCHOOLS, JEFFERSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison 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 27, 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 School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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 27, 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 MADISON CONSOLIDATED SCHOOLS, JEFFERSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison 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 27, 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.

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)

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.

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

January 27, 2011

MADISON 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 (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 15,909,950	\$ -	\$ 427,097	\$ (15,482,853)
Support services	9,731,176	894,377	895,667	(7,941,132)
Noninstructional services	1,564,474	-	-	(1,564,474)
Facilities acquisition and construction	2,366,351	-	-	(2,366,351)
Debt service	7,497,204	-	-	(7,497,204)
Nonprogrammed charges	1,687,384	-	-	(1,687,384)
<b>Total governmental activities</b>	<b><u>\$ 38,756,539</u></b>	<b><u>\$ 894,377</u></b>	<b><u>\$ 1,322,764</u></b>	<b><u>(36,539,398)</u></b>
General receipts:				
Property taxes				16,223,715
Other local sources				2,186,148
State aid				15,781,669
Grants and contributions not restricted to specific programs				3,949,387
Sale of property				8,813
Investment earnings				274,782
Other				180,314
<b>Total general receipts</b>				<b><u>38,604,828</u></b>
Change in net assets				2,065,430
Net assets - beginning				<u>5,359,342</u>
Net assets - ending				<b><u>\$ 7,424,772</u></b>
<u>Assets</u>				
Cash and investments				\$ 6,816,755
Restricted assets:				
Cash and investments				<u>608,017</u>
<b>Total assets</b>				<b><u>\$ 7,424,772</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 608,017
Unrestricted				<u>6,816,755</u>
<b>Total net assets</b>				<b><u>\$ 7,424,772</u></b>

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

MADISON 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 (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 16,345,177	\$ -	\$ 363,485	\$ (15,981,692)
Support services	10,411,667	766,657	984,890	(8,660,120)
Noninstructional services	1,569,673	-	-	(1,569,673)
Facilities acquisition and construction	1,906,135	-	-	(1,906,135)
Debt service	4,173,315	-	-	(4,173,315)
Nonprogrammed charges	1,638,635	-	-	(1,638,635)
<b>Total governmental activities</b>	<b><u>\$ 36,044,602</u></b>	<b><u>\$ 766,657</u></b>	<b><u>\$ 1,348,375</u></b>	<b><u>(33,929,570)</u></b>
General receipts:				
Property taxes				12,614,266
Other local sources				1,504,233
State aid				20,243,227
Grants and contributions not restricted to specific programs				2,631,634
Sale of property				2,664
Investment earnings				230,069
Other				<u>106,467</u>
<b>Total general receipts</b>				<b><u>37,332,560</u></b>
Change in net assets				3,402,990
Net assets - beginning				<u>7,424,772</u>
Net assets - ending				<b><u>\$ 10,827,762</u></b>
<u>Assets</u>				
Cash and investments				\$ 9,188,055
Restricted assets:				
Cash and investments				<u>1,639,707</u>
<b>Total assets</b>				<b><u>\$ 10,827,762</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,639,707
Unrestricted				<u>9,188,055</u>
<b>Total net assets</b>				<b><u>\$ 10,827,762</u></b>

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

MADISON 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	School Lunch	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 8,148,009	\$ 659,262	\$ 3,171,842	\$ 3,812,008	\$ 3,785,750	\$ 19,576,871
Intermediate sources	2,039	-	-	-	113	2,152
State sources	16,161,121	12,691	-	-	334,490	16,508,302
Federal sources	50,736	743,093	-	-	3,751,689	4,545,518
Interfund loans	-	-	1,275,500	-	150,000	1,425,500
Other	57,885	6,840	-	50,005	65,583	180,313
<b>Total receipts</b>	<b>24,419,790</b>	<b>1,421,886</b>	<b>4,447,342</b>	<b>3,862,013</b>	<b>8,087,625</b>	<b>42,238,656</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	13,669,199	-	-	-	2,240,751	15,909,950
Support services	5,310,417	1,085	-	1,130,080	3,289,594	9,731,176
Noninstructional services	230,285	1,223,264	-	-	110,925	1,564,474
Facilities acquisition and construction	-	-	-	2,366,351	-	2,366,351
Debt services	1,301,399	-	4,356,422	-	1,839,383	7,497,204
Nonprogrammed charges	1,490,845	-	-	-	196,539	1,687,384
Interfund loans	-	-	-	1,275,500	150,000	1,425,500
<b>Total disbursements</b>	<b>22,002,145</b>	<b>1,224,349</b>	<b>4,356,422</b>	<b>4,771,931</b>	<b>7,827,192</b>	<b>40,182,039</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>2,417,645</b>	<b>197,537</b>	<b>90,920</b>	<b>(909,918)</b>	<b>260,433</b>	<b>2,056,617</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	7,313	-	-	-	1,500	8,813
Transfers in	27,771	-	-	-	291,231	319,002
Transfers out	(92,318)	-	(88,455)	(43,046)	(95,183)	(319,002)
<b>Total other financing sources (uses)</b>	<b>(57,234)</b>	<b>-</b>	<b>(88,455)</b>	<b>(43,046)</b>	<b>197,548</b>	<b>8,813</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,360,411</b>	<b>197,537</b>	<b>2,465</b>	<b>(952,964)</b>	<b>457,981</b>	<b>2,065,430</b>
<b>Cash and investments - beginning</b>	<b>1,132,020</b>	<b>794,121</b>	<b>596,382</b>	<b>2,089,925</b>	<b>746,894</b>	<b>5,359,342</b>
<b>Cash and investments - ending</b>	<b>\$ 3,492,431</b>	<b>\$ 991,658</b>	<b>\$ 598,847</b>	<b>\$ 1,136,961</b>	<b>\$ 1,204,875</b>	<b>\$ 7,424,772</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,492,431	\$ 991,658	\$ -	\$ 1,136,961	\$ 1,195,705	\$ 6,816,755
Restricted assets:						
Cash and investments	-	-	598,847	-	9,170	608,017
<b>Total cash and investment assets - ending</b>	<b>\$ 3,492,431</b>	<b>\$ 991,658</b>	<b>\$ 598,847</b>	<b>\$ 1,136,961</b>	<b>\$ 1,204,875</b>	<b>\$ 7,424,772</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 598,847	\$ -	\$ 9,170	\$ 608,017
Unrestricted	3,492,431	991,658	-	1,136,961	1,195,705	6,816,755
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,492,431</b>	<b>\$ 991,658</b>	<b>\$ 598,847</b>	<b>\$ 1,136,961</b>	<b>\$ 1,204,875</b>	<b>\$ 7,424,772</b>

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

MADISON 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	School Lunch	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 507,861	\$ 619,190	\$ 4,506,688	\$ 4,232,429	\$ 5,230,705	\$ 15,096,873
Intermediate sources	18,352	-	-	-	-	18,352
State sources	20,602,880	12,260	-	-	278,328	20,893,468
Federal sources	49,688	833,891	-	-	2,446,189	3,329,768
Interfund loans	-	-	-	1,275,500	300,000	1,575,500
Other	62,686	8,349	-	-	35,432	106,467
<b>Total receipts</b>	<b>21,241,467</b>	<b>1,473,690</b>	<b>4,506,688</b>	<b>5,507,929</b>	<b>8,290,654</b>	<b>41,020,428</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	15,008,914	-	-	-	1,336,263	16,345,177
Support services	5,445,511	4,468	-	1,138,686	3,823,002	10,411,667
Noninstructional services	235,783	1,240,112	-	-	93,778	1,569,673
Facilities acquisition and construction	-	-	-	1,906,135	-	1,906,135
Debt services	-	-	2,771,000	-	1,402,315	4,173,315
Nonprogrammed charges	1,411,317	-	-	-	227,318	1,638,635
Interfund loans	-	-	1,275,500	150,000	150,000	1,575,500
<b>Total disbursements</b>	<b>22,101,525</b>	<b>1,244,580</b>	<b>4,046,500</b>	<b>3,194,821</b>	<b>7,032,676</b>	<b>37,620,102</b>
Excess (deficiency) of receipts over disbursements	(860,058)	229,110	460,188	2,313,108	1,257,978	3,400,326
<b>Other financing sources (uses):</b>						
Sale of capital assets	2,664	-	-	-	-	2,664
Transfers in	169,424	-	38,819	43,046	339,005	590,294
Transfers out	-	-	(178,000)	-	(412,294)	(590,294)
<b>Total other financing sources (uses)</b>	<b>172,088</b>	<b>-</b>	<b>(139,181)</b>	<b>43,046</b>	<b>(73,289)</b>	<b>2,664</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(687,970)	229,110	321,007	2,356,154	1,184,689	3,402,990
Cash and investments - beginning	3,492,431	991,658	598,847	1,136,961	1,204,875	7,424,772
Cash and investments - ending	<u>\$ 2,804,461</u>	<u>\$ 1,220,768</u>	<u>\$ 919,854</u>	<u>\$ 3,493,115</u>	<u>\$ 2,389,564</u>	<u>\$ 10,827,762</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 2,804,461	\$ 1,220,768	\$ -	\$ 3,493,115	\$ 1,669,711	\$ 9,188,055
Restricted assets:						
Cash and investments	-	-	919,854	-	719,853	1,639,707
<b>Total cash and investment assets - ending</b>	<b>\$ 2,804,461</b>	<b>\$ 1,220,768</b>	<b>\$ 919,854</b>	<b>\$ 3,493,115</b>	<b>\$ 2,389,564</b>	<b>\$ 10,827,762</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 919,854	\$ -	\$ 719,853	\$ 1,639,707
Unrestricted	2,804,461	1,220,768	-	3,493,115	1,669,711	9,188,055
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,804,461</b>	<b>\$ 1,220,768</b>	<b>\$ 919,854</b>	<b>\$ 3,493,115</b>	<b>\$ 2,389,564</b>	<b>\$ 10,827,762</b>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 109,670	
Total contributions	-	109,670	
Investment earnings:			
Interest	-	2,319	
Net investment earnings	-	2,319	
Total additions	-	111,989	
Deductions:			
Benefits	453,963	-	
Administrative and general	-	71,559	
Total deductions	453,963	71,559	
Excess (deficiency) of total additions over total deductions	(453,963)	40,430	
Cash and investment fund balance - beginning	2,102,177	64,921	
Cash and investment fund balance - ending	\$ 1,648,214	\$ 105,351	\$ 223,929
Net assets:			
Cash and investments	\$ 1,648,214	\$ 105,351	\$ 223,929
Total net assets - cash and investment basis held in trust	\$ 1,648,214	\$ 105,351	\$ 223,929

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 34,695	
Total contributions	-	34,695	
Investment earnings:			
Interest	-	923	
Net investment earnings	-	923	
Total additions	-	35,618	
Deductions:			
Benefits	426,716	-	
Administrative and general	-	67,829	
Total deductions	426,716	67,829	
Excess (deficiency) of total additions over total deductions	(426,716)	(32,211)	
Cash and investment fund balance - beginning	1,648,214	105,351	
Cash and investment fund balance - ending	\$ 1,221,498	\$ 73,140	\$ 2,478,688
Net assets:			
Cash and investments	\$ 1,221,498	\$ 73,140	\$ 2,478,688
Total net assets - cash and investment basis held in trust	\$ 1,221,498	\$ 73,140	\$ 2,478,688

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

MADISON 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: Madison Consolidated Schools

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

Joint Venture

The School Corporation is a participant with five other school corporations in a joint venture to operate Madison Area Educational Special Services Unit (MAESSU) which was created to provide educational services to handicapped students. The School Corporation is obligated by contract to remit an allocated share of the annual operating costs of MAESSU based on MAESSU's approved budget. The allocation is based on the number of students served for each of the member school corporations. During the fiscal years ending June 30, 2009 and 2010, the School Corporation remitted \$1,495,492 and \$1,375,393, respectively, to MAESSU. Complete financial statements for the Madison Area Educational Special Services Unit can be obtained from the administration office at 702 Elm Street, Madison, IN.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds,

MADISON CONSOLIDATED SCHOOLS  
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 school lunch fund accounts for receipts and disbursements related to the food service program.

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; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

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

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

Agency funds account for assets held by the School Corporation as an agent for employee payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

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.

MADISON CONSOLIDATED SCHOOLS  
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. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

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.

3. Capital Assets

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

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as 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.

5. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

MADISON CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

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

MADISON CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

G. Rounding Differences

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits 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 \$15,328,692.

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.

MADISON CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
General Fund	Other Governmental Funds	\$ 92,318	\$ -
Debt Service Fund	Other Governmental Funds	88,455	178,000
Capital Projects Fund	Other Governmental Funds	43,046	-
Other Governmental Funds	General Fund	27,771	169,424
Other Governmental Funds	Capital Projects Fund	-	43,046
Other Governmental Funds	Debt Service Fund	-	38,819
Other Governmental Funds	Other Governmental Funds	67,412	161,005
Totals		<u>\$ 319,002</u>	<u>\$ 590,294</u>

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

MADISON CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. There were no significant reductions in insurance by major category of risk.

B. Holding Corporations

The School Corporation has entered into a capital lease with Madison Consolidated School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$1,186,000, and \$1,008,000, respectively.

The School Corporation has entered into a capital lease with Lydia Middleton School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$1,763,500, and \$1,763,000, respectively.

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.

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:

MADISON CONSOLIDATED SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 \$617,613.

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation's contributions to the plan during the period were \$874,706.

MADISON 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

	Transportation Operating	Special Education Preschool	Textbook Rental	Levy Excess	Child Care Programs	Education License Plates	Alternative Education Grant
<b>Receipts:</b>							
Local sources	\$ 1,484,184	\$ 31,048	\$ 171,940	\$ -	\$ 58,965	\$ -	\$ -
Intermediate sources	-	-	-	-	-	113	-
State sources	-	123,221	139,883	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	150,000	-	-	-	-	-	-
Other	56,238	-	194	-	-	-	-
<b>Total receipts</b>	<b>1,690,422</b>	<b>154,269</b>	<b>312,017</b>	<b>-</b>	<b>58,965</b>	<b>113</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	1,667,163	-	236,957	-	-	-	-
Noninstructional services	-	-	-	-	61,947	-	-
Debt services	337,891	-	-	-	-	-	-
Nonprogrammed charges	-	151,505	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,005,054</b>	<b>151,505</b>	<b>236,957</b>	<b>-</b>	<b>61,947</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(314,632)</b>	<b>2,764</b>	<b>75,060</b>	<b>-</b>	<b>(2,982)</b>	<b>113</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	1,500	-	-	-	-	-	-
Transfers in	-	-	49,636	215,396	-	-	-
Transfers out	(18,162)	(381)	-	-	(19,844)	-	-
<b>Total other financing sources (uses)</b>	<b>(16,662)</b>	<b>(381)</b>	<b>49,636</b>	<b>215,396</b>	<b>(19,844)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(331,294)</b>	<b>2,383</b>	<b>124,696</b>	<b>215,396</b>	<b>(22,826)</b>	<b>113</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>347,057</b>	<b>74,342</b>	<b>107,493</b>	<b>-</b>	<b>32,247</b>	<b>-</b>	<b>5,000</b>
<b>Cash and investments - ending</b>	<b>\$ 15,763</b>	<b>\$ 76,725</b>	<b>\$ 232,189</b>	<b>\$ 215,396</b>	<b>\$ 9,421</b>	<b>\$ 113</b>	<b>\$ 5,000</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 15,763	\$ 76,725	\$ 232,189	\$ 215,396	\$ 9,421	\$ 113	\$ 5,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 15,763</b>	<b>\$ 76,725</b>	<b>\$ 232,189</b>	<b>\$ 215,396</b>	<b>\$ 9,421</b>	<b>\$ 113</b>	<b>\$ 5,000</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	15,763	76,725	232,189	215,396	9,421	113	5,000
<b>Total cash and investment fund balance - ending</b>	<b>\$ 15,763</b>	<b>\$ 76,725</b>	<b>\$ 232,189</b>	<b>\$ 215,396</b>	<b>\$ 9,421</b>	<b>\$ 113</b>	<b>\$ 5,000</b>

MADISON 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)

	Safe Haven Grant	Early Intervention Read Grant	Deaf/Blind Instructional Fund	4 Community Grant	CAPE	Driver's Education	E. O Muncie Donation
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 6,776	\$ -	\$ 88,216	\$ 42,950	\$ 8,500
Intermediate sources	-	-	-	-	-	-	-
State sources	6,241	17,500	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,241</b>	<b>17,500</b>	<b>6,776</b>	<b>-</b>	<b>88,216</b>	<b>42,950</b>	<b>8,500</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	6,241	-	-	220	92,190	-	18,157
Support services	-	16,908	3,239	-	-	2,655	-
Noninstructional services	-	-	-	-	-	30,415	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,241</b>	<b>16,908</b>	<b>3,239</b>	<b>220</b>	<b>92,190</b>	<b>33,070</b>	<b>18,157</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>592</b>	<b>3,537</b>	<b>(220)</b>	<b>(3,974)</b>	<b>9,880</b>	<b>(9,657)</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>592</b>	<b>3,537</b>	<b>(220)</b>	<b>(3,974)</b>	<b>9,880</b>	<b>(9,657)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>-</b>	<b>(3,537)</b>	<b>253</b>	<b>29,191</b>	<b>4,239</b>	<b>(239)</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ 33</b>	<b>\$ 25,217</b>	<b>\$ 14,119</b>	<b>\$ (9,896)</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 592	\$ -	\$ 33	\$ 25,217	\$ 14,119	\$ (9,896)
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ 33</b>	<b>\$ 25,217</b>	<b>\$ 14,119</b>	<b>\$ (9,896)</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	592	-	33	25,217	14,119	(9,896)
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ 33</b>	<b>\$ 25,217</b>	<b>\$ 14,119</b>	<b>\$ (9,896)</b>

MADISON 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)

	Gifted/ Talented 2007/2008	Higher Ability Grant	Extra-Curricular Athletics	Non-English Speaking Program	Employee Recognition/ Learning Place	Technology Grant Buddy System	Indiana IMPR Awards
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 2,657	\$ -	\$ 27,173	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	40,599	-	7,046	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>40,599</b>	<b>2,657</b>	<b>7,046</b>	<b>27,173</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	36,905	-	57	-	-	-
Support services	-	-	-	-	24,988	-	-
Noninstructional services	-	-	2,657	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>36,905</b>	<b>2,657</b>	<b>57</b>	<b>24,988</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>3,694</b>	<b>-</b>	<b>6,989</b>	<b>2,185</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(7,927)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(7,927)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(7,927)</b>	<b>3,694</b>	<b>-</b>	<b>6,989</b>	<b>2,185</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>7,927</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>63,358</b>	<b>2,030</b>	<b>1,233</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 3,694</b>	<b>\$ -</b>	<b>\$ 7,046</b>	<b>\$ 65,543</b>	<b>\$ 2,030</b>	<b>\$ 1,233</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 3,694	\$ -	\$ 7,046	\$ 65,543	\$ 2,030	\$ 1,233
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 3,694</b>	<b>\$ -</b>	<b>\$ 7,046</b>	<b>\$ 65,543</b>	<b>\$ 2,030</b>	<b>\$ 1,233</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,694	-	7,046	65,543	2,030	1,233
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 3,694</b>	<b>\$ -</b>	<b>\$ 7,046</b>	<b>\$ 65,543</b>	<b>\$ 2,030</b>	<b>\$ 1,233</b>

MADISON CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 (Continued)

	Ball State History Grant	Title I 2008/2009 Delinquent Intervention	Title I School Improvement Dupont	Forfeited SEC 125	Title I 2007/2008	Title I No child Left Behind 2007/2008
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 4,674	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	233,999	19,198	20,000	-	109,000	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	8,939	-
<b>Total receipts</b>	<b>233,999</b>	<b>19,198</b>	<b>20,000</b>	<b>4,674</b>	<b>117,939</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	4,539	-	-	80,693	-
Support services	233,999	513	12,743	-	15,636	9,460
Noninstructional services	-	-	-	-	2,416	2,790
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	23,768	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>233,999</b>	<b>5,052</b>	<b>12,743</b>	<b>-</b>	<b>122,513</b>	<b>12,250</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>14,146</b>	<b>7,257</b>	<b>4,674</b>	<b>(4,574)</b>	<b>(12,250)</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	9,484	-	-	-	-
Transfers out	-	-	-	-	(13,261)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>9,484</b>	<b>-</b>	<b>-</b>	<b>(13,261)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>23,630</b>	<b>7,257</b>	<b>4,674</b>	<b>(17,835)</b>	<b>(12,250)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,016</b>	<b>17,835</b>	<b>12,250</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 23,630</b>	<b>\$ 7,257</b>	<b>\$ 8,690</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 23,630	\$ 7,257	\$ 8,690	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 23,630</b>	<b>\$ 7,257</b>	<b>\$ 8,690</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	23,630	7,257	8,690	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 23,630</b>	<b>\$ 7,257</b>	<b>\$ 8,690</b>	<b>\$ -</b>	<b>\$ -</b>

MADISON CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2009  
 (Continued)

	Title I 2007/2008 Delinquent Intervention	Title I No Child Left Behind Improvement Grand	Title I School Improvement EO Muncie	Title I 2008/2009	Title V Part A 2007/2008	Title V Part A 2008/2009
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 3,647	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,320	-	369,352	583,378	-	-
Interfund loans	-	-	-	-	-	-
Other	212	-	-	-	-	-
<b>Total receipts</b>	<b>1,532</b>	<b>-</b>	<b>369,352</b>	<b>587,025</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,217	681	27,279	354,883	-	-
Support services	205	-	197,952	127,437	3,930	193
Noninstructional services	-	-	495	6,293	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	525	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,947</b>	<b>681</b>	<b>225,726</b>	<b>488,613</b>	<b>3,930</b>	<b>193</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,415)</b>	<b>(681)</b>	<b>143,626</b>	<b>98,412</b>	<b>(3,930)</b>	<b>(193)</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	13,261	-	3,454
Transfers out	(9,484)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(9,484)</b>	<b>-</b>	<b>-</b>	<b>13,261</b>	<b>-</b>	<b>3,454</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(11,899)</b>	<b>(681)</b>	<b>143,626</b>	<b>111,673</b>	<b>(3,930)</b>	<b>3,261</b>
Cash and investments - beginning	11,899	681	-	-	3,930	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,626</u>	<u>\$ 111,673</u>	<u>\$ -</u>	<u>\$ 3,261</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ 143,626	\$ 111,673	\$ -	\$ 3,261
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,626</u>	<u>\$ 111,673</u>	<u>\$ -</u>	<u>\$ 3,261</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	143,626	111,673	-	3,261
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,626</u>	<u>\$ 111,673</u>	<u>\$ -</u>	<u>\$ 3,261</u>

MADISON 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)

	Drug Free School 2007	Drug Free School 2008	Title II Part A 2007-2008	Title II Part A 2008-2009	Title III	Reading First Program Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,611	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	15,643	103,613	109,180	-	402,504
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>15,643</b>	<b>103,613</b>	<b>109,180</b>	<b>2,611</b>	<b>402,504</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	88,878	99,841	-	97,408
Support services	1,257	14,019	4,908	2,005	-	260,852
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	20,741
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,257</b>	<b>14,019</b>	<b>93,786</b>	<b>101,846</b>	<b>-</b>	<b>379,001</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,257)</b>	<b>1,624</b>	<b>9,827</b>	<b>7,334</b>	<b>2,611</b>	<b>23,503</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(3,454)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,454)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,257)</b>	<b>1,624</b>	<b>9,827</b>	<b>3,880</b>	<b>2,611</b>	<b>23,503</b>
<b>Cash and investments - beginning</b>	<b>1,257</b>	<b>-</b>	<b>(9,827)</b>	<b>-</b>	<b>-</b>	<b>(957)</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 1,624</b>	<b>\$ -</b>	<b>\$ 3,880</b>	<b>\$ 2,611</b>	<b>\$ 22,546</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 1,624	\$ -	\$ 3,880	\$ 2,611	\$ 22,546
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,624</b>	<b>\$ -</b>	<b>\$ 3,880</b>	<b>\$ 2,611</b>	<b>\$ 22,546</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,624	-	3,880	2,611	22,546
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,624</b>	<b>\$ -</b>	<b>\$ 3,880</b>	<b>\$ 2,611</b>	<b>\$ 22,546</b>

MADISON CONSOLIDATED SCHOOLS  
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 For the Year Ended June 30, 2009  
 (Continued)

	Fiscal Stabilization	ARRA Title I Grant	Retirement Debt Service Fund	School Bus Replacement	Lydia Middleton Construction Fund	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 1,527,729	\$ 324,680	\$ -	\$ 3,785,750
Intermediate sources	-	-	-	-	-	113
State sources	-	-	-	-	-	334,490
Federal sources	1,784,502	-	-	-	-	3,767,332
Interfund loans	-	-	-	-	-	150,000
Other	-	-	-	-	-	65,583
<b>Total receipts</b>	<u>1,784,502</u>	<u>-</u>	<u>1,527,729</u>	<u>324,680</u>	<u>-</u>	<u>8,103,268</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,329,562	-	-	-	-	2,240,751
Support services	451,028	1,547	-	-	-	3,303,613
Noninstructional services	3,912	-	-	-	-	110,925
Debt services	-	-	1,501,492	-	-	1,839,383
Nonprogrammed charges	-	-	-	-	-	196,539
Interfund loans	-	-	-	150,000	-	150,000
<b>Total disbursements</b>	<u>1,784,502</u>	<u>1,547</u>	<u>1,501,492</u>	<u>150,000</u>	<u>-</u>	<u>7,841,211</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>-</u>	<u>(1,547)</u>	<u>26,237</u>	<u>174,680</u>	<u>-</u>	<u>262,057</u>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	1,500
Transfers in	-	-	-	-	-	291,231
Transfers out	-	-	(18,696)	(3,974)	-	(95,183)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(18,696)</u>	<u>(3,974)</u>	<u>-</u>	<u>197,548</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>-</u>	<u>(1,547)</u>	<u>7,541</u>	<u>170,706</u>	<u>-</u>	<u>459,605</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>-</u>	<u>1,629</u>	<u>(4,590)</u>	<u>38,120</u>	<u>746,894</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ (1,547)</u>	<u>\$ 9,170</u>	<u>\$ 166,116</u>	<u>\$ 38,120</u>	<u>\$ 1,206,499</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ (1,547)	\$ -	\$ 166,116	\$ 38,120	\$ 1,197,329
Restricted assets:						
Cash and investments	-	-	9,170	-	-	9,170
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ (1,547)</u>	<u>\$ 9,170</u>	<u>\$ 166,116</u>	<u>\$ 38,120</u>	<u>\$ 1,206,499</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 9,170	\$ -	\$ -	\$ 9,170
Unrestricted	-	(1,547)	-	166,116	38,120	1,197,329
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ (1,547)</u>	<u>\$ 9,170</u>	<u>\$ 166,116</u>	<u>\$ 38,120</u>	<u>\$ 1,206,499</u>

MADISON CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2010

	Transportation Operating	Special Education Preschool	Rainy Day	Textbook Rental	Levy Excess	Child Care Programs	Education License Plates
<b>Receipts:</b>							
Local sources	\$ 2,315,862	\$ -	\$ -	\$ 149,252	\$ -	\$ -	\$ -
State sources	-	52,250	-	138,739	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	150,000	-	-	-	-	-	-
Other	35,326	-	-	106	-	-	-
<b>Total receipts</b>	<b>2,501,188</b>	<b>52,250</b>	<b>-</b>	<b>288,097</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	1,684,026	-	-	241,340	-	-	-
Noninstructional services	-	-	-	-	-	9,421	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	52,250	-	-	-	-	-
Interfund loans	150,000	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,834,026</b>	<b>52,250</b>	<b>-</b>	<b>241,340</b>	<b>-</b>	<b>9,421</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	667,162	-	-	46,757	-	(9,421)	-
<b>Other financing sources (uses):</b>							
Transfers in	18,162	381	178,000	-	-	-	-
Transfers out	-	(77,106)	-	-	(215,396)	-	-
<b>Total other financing sources (uses)</b>	<b>18,162</b>	<b>(76,725)</b>	<b>178,000</b>	<b>-</b>	<b>(215,396)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	685,324	(76,725)	178,000	46,757	(215,396)	(9,421)	-
Cash and investments - beginning	15,763	76,725	-	232,189	215,396	9,421	113
Cash and investments - ending	\$ 701,087	\$ -	\$ 178,000	\$ 278,946	\$ -	\$ -	\$ 113
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 701,087	\$ -	\$ 178,000	\$ 278,946	\$ -	\$ -	\$ 113
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 701,087</b>	<b>\$ -</b>	<b>\$ 178,000</b>	<b>\$ 278,946</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	701,087	-	178,000	278,946	-	-	113
<b>Total cash and investment fund balance - ending</b>	<b>\$ 701,087</b>	<b>\$ -</b>	<b>\$ 178,000</b>	<b>\$ 278,946</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113</b>

MADISON 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)

	Alternative Education Grant	Early Intervention Read Grant	Early Intervention Read Grant 2009-2010	Deaf/Blind Instructional Fund	4 Community Grant	CAPE	Driver's Education
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 3,326	\$ -	\$ 97,710	\$ 46,110
State sources	-	-	37,700	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>37,700</b>	<b>3,326</b>	<b>-</b>	<b>97,710</b>	<b>46,110</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	97,404	-
Support services	-	83	37,700	3,326	-	4,760	2,814
Noninstructional services	-	-	-	-	-	-	33,436
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>83</b>	<b>37,700</b>	<b>3,326</b>	<b>-</b>	<b>102,164</b>	<b>36,250</b>
Excess (deficiency) of receipts over disbursements	-	(83)	-	-	-	(4,454)	9,860
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(83)	-	-	-	(4,454)	9,860
Cash and investments - beginning	5,000	592	-	-	33	25,217	14,119
Cash and investments - ending	<u>\$ 5,000</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 20,763</u>	<u>\$ 23,979</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 5,000	\$ 509	\$ -	\$ -	\$ 33	\$ 20,763	\$ 23,979
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 5,000</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 20,763</u>	<u>\$ 23,979</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,000	509	-	-	33	20,763	23,979
<b>Total cash and investment fund balance - ending</b>	<u>\$ 5,000</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 20,763</u>	<u>\$ 23,979</u>

MADISON 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)

	E. O. Muncie Donation	Higher Ability Grant	Extra-Curricular Athletics	Non-English Speaking Program	Employee Recognition/ Learning Place	Technology Grant Buddy System	Indiana IMPR Awards
<b>Receipts:</b>							
Local sources	\$ 13,000	\$ -	\$ 3,912	\$ -	\$ 14,638	\$ -	\$ -
State sources	-	-	-	3,832	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>13,000</b>	<b>-</b>	<b>3,912</b>	<b>3,832</b>	<b>14,638</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,987	3,694	-	10,237	-	-	-
Support services	-	-	-	-	35,044	-	-
Noninstructional services	-	-	3,912	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,987</b>	<b>3,694</b>	<b>3,912</b>	<b>10,237</b>	<b>35,044</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	11,013	(3,694)	-	(6,405)	(20,406)	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,013	(3,694)	-	(6,405)	(20,406)	-	-
Cash and investments - beginning	(9,896)	3,694	-	7,046	65,543	2,030	1,233
Cash and investments - ending	<u>\$ 1,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641</u>	<u>\$ 45,137</u>	<u>\$ 2,030</u>	<u>\$ 1,233</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,117	\$ -	\$ -	\$ 641	\$ 45,137	\$ 2,030	\$ 1,233
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,117</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 641</u></b>	<b><u>\$ 45,137</u></b>	<b><u>\$ 2,030</u></b>	<b><u>\$ 1,233</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,117	-	-	641	45,137	2,030	1,233
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,117</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 641</u></b>	<b><u>\$ 45,137</u></b>	<b><u>\$ 2,030</u></b>	<b><u>\$ 1,233</u></b>

MADISON 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)

	Excess Property Tax Replacement Credit	Title I 2008/2009 Delinquent Intervention	Title I School Improvement Dupont	Forfeited SEC 125	Title I 2009/2010	Title I 2009/2010 Delinquent Intervention	Title I School Improvement EO Muncie
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 1,058	\$ 937	\$ -	\$ -
State sources	45,807	-	-	-	-	-	-
Federal sources	-	-	5,000	-	499,829	14,636	154,634
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>45,807</b>	<b>-</b>	<b>5,000</b>	<b>1,058</b>	<b>500,766</b>	<b>14,636</b>	<b>154,634</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	3,302	-	-	388,601	10,423	38,133
Support services	-	-	12,118	-	123,774	211	203,080
Noninstructional services	-	-	-	-	7,194	-	22,537
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	183	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,485</b>	<b>12,118</b>	<b>-</b>	<b>519,569</b>	<b>10,634</b>	<b>263,750</b>
Excess (deficiency) of receipts over disbursements	45,807	(3,485)	(7,118)	1,058	(18,803)	4,002	(109,116)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	77,101	20,145	-
Transfers out	-	(20,145)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(20,145)</b>	<b>-</b>	<b>-</b>	<b>77,101</b>	<b>20,145</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	45,807	(23,630)	(7,118)	1,058	58,298	24,147	(109,116)
Cash and investments - beginning	-	23,630	7,257	8,690	-	-	143,626
Cash and investments - ending	<u>\$ 45,807</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 9,748</u>	<u>\$ 58,298</u>	<u>\$ 24,147</u>	<u>\$ 34,510</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 45,807	\$ -	\$ 139	\$ 9,748	\$ 58,298	\$ 24,147	\$ 34,510
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 45,807</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 9,748</u>	<u>\$ 58,298</u>	<u>\$ 24,147</u>	<u>\$ 34,510</u>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	45,807	-	139	9,748	58,298	24,147	34,510
Total cash and investment fund balance - ending	<u>\$ 45,807</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 9,748</u>	<u>\$ 58,298</u>	<u>\$ 24,147</u>	<u>\$ 34,510</u>

MADISON 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 2008/2009	Title V Part A 2007/2008	Title V Part A 2008/2009	Drug Free School 2008	Drug Free School 2009	Title II Part A 2008/2009	Title II Part A 2009/2010
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	104,360	2,404	-	10,961	-	100,000	108,130
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<u>104,360</u>	<u>2,404</u>	<u>-</u>	<u>10,961</u>	<u>-</u>	<u>100,000</u>	<u>108,130</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	74,852	-	-	-	-	94,793	110,074
Support services	47,930	2,404	3,261	10,480	1,624	2,191	1,499
Noninstructional services	2,701	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	13,449	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<u>138,932</u>	<u>2,404</u>	<u>3,261</u>	<u>10,480</u>	<u>1,624</u>	<u>96,984</u>	<u>111,573</u>
Excess (deficiency) of receipts over disbursements	<u>(34,572)</u>	<u>-</u>	<u>(3,261)</u>	<u>481</u>	<u>(1,624)</u>	<u>3,016</u>	<u>(3,443)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	<u>(77,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(77,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(111,673)</u>	<u>-</u>	<u>(3,261)</u>	<u>481</u>	<u>(1,624)</u>	<u>3,016</u>	<u>(3,443)</u>
Cash and investments - beginning	<u>111,673</u>	<u>-</u>	<u>3,261</u>	<u>-</u>	<u>1,624</u>	<u>3,880</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 6,896</u>	<u>\$ (3,443)</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ 481	\$ -	\$ 6,896	\$ (3,443)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 6,896</u>	<u>\$ (3,443)</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	481	-	6,896	(3,443)
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 6,896</u>	<u>\$ (3,443)</u>

MADISON 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 III	Reading First Program Grant	Reading First Program Grant 2008/2009	Reading First Program Grant 2009/2010	Fiscal Stabilization	ARRA Title I Grant	ARRA Title II Part D
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	132,380	144,376	686,979	246,603	213,772
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>132,380</b>	<b>144,376</b>	<b>686,979</b>	<b>246,603</b>	<b>213,772</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,611	-	57,692	3,205	349,653	79,347	-
Support services	-	-	75,987	126,467	261,367	158,087	150,240
Noninstructional services	-	-	-	-	-	2,467	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	21,247	-	75,959	-	64,230
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,611</b>	<b>-</b>	<b>154,926</b>	<b>129,672</b>	<b>686,979</b>	<b>239,901</b>	<b>214,470</b>
Excess (deficiency) of receipts over disbursements	(2,611)	-	(22,546)	14,704	-	6,702	(698)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	22,546	-	-	-	-
Transfers out	-	(22,546)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(22,546)</b>	<b>22,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,611)	(22,546)	-	14,704	-	6,702	(698)
Cash and investments - beginning	2,611	22,546	-	-	-	(1,547)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 14,704	\$ -	\$ 5,155	\$ (698)
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ 14,704	\$ -	\$ 5,155	\$ (698)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 14,704	\$ -	\$ 5,155	\$ (698)
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	14,704	-	5,155	(698)
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 14,704	\$ -	\$ 5,155	\$ (698)

MADISON 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)

	ARRA School Lunch Equipment	ARRA Title I Delinquent Intervention	Retirement Debt Service Fund	School Bus Replacement	Lydia Middleton Construction Fund	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 2,094,302	\$ 490,598	\$ -	\$ 5,230,705
State sources	-	-	-	-	-	278,328
Federal sources	13,000	9,125	-	-	-	2,446,189
Interfund loans	-	-	-	150,000	-	300,000
Other	-	-	-	-	-	35,432
<b>Total receipts</b>	<b>13,000</b>	<b>9,125</b>	<b>2,094,302</b>	<b>640,598</b>	<b>-</b>	<b>8,290,654</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	10,255	-	-	-	1,336,263
Support services	890	-	-	632,299	-	3,823,002
Noninstructional services	12,110	-	-	-	-	93,778
Debt services	-	-	1,402,315	-	-	1,402,315
Nonprogrammed charges	-	-	-	-	-	227,318
Interfund loans	-	-	-	-	-	150,000
<b>Total disbursements</b>	<b>13,000</b>	<b>10,255</b>	<b>1,402,315</b>	<b>632,299</b>	<b>-</b>	<b>7,032,676</b>
Excess (deficiency) of receipts over disbursements	-	(1,130)	691,987	8,299	-	1,257,978
<b>Other financing sources (uses):</b>						
Transfers in	-	-	18,696	3,974	-	339,005
Transfers out	-	-	-	-	-	(412,294)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>18,696</b>	<b>3,974</b>	<b>-</b>	<b>(73,289)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,130)	710,683	12,273	-	1,184,689
Cash and investments - beginning	-	-	9,170	166,116	38,120	1,204,875
Cash and investments - ending	\$ -	\$ (1,130)	\$ 719,853	\$ 178,389	\$ 38,120	\$ 2,389,564
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ (1,130)	\$ -	\$ 178,389	\$ 38,120	\$ 1,669,711
Restricted assets:						
Cash and investments	-	-	719,853	-	-	719,853
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (1,130)</b>	<b>\$ 719,853</b>	<b>\$ 178,389</b>	<b>\$ 38,120</b>	<b>\$ 2,389,564</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 719,853	\$ -	\$ -	\$ 719,853
Unrestricted	-	(1,130)	-	178,389	38,120	1,669,711
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (1,130)</b>	<b>\$ 719,853</b>	<b>\$ 178,389</b>	<b>\$ 38,120</b>	<b>\$ 2,389,564</b>

MADISON 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

	Reading Recovery Site Training	Donations	Project Lead The Way	Anderson Wrap- Around Kindergarten	A. S. Custer	Education Foundation	GED	Cub Field Renovation Donation	CPR Training	Totals
Additions:										
Contributions:										
Other	\$ 500	\$ 6,300	\$ 99,300	\$ -	\$ -	\$ -	\$ 3,570	\$ -	\$ -	\$ 109,670
Investment earnings:										
Interest	-	-	-	-	2,319	-	-	-	-	2,319
Total additions	500	6,300	99,300	-	2,319	-	3,570	-	-	111,989
Deductions:										
Administrative and general	-	2,613	62,303	1,697	1,725	-	2,730	-	491	71,559
Excess (deficiency) of total additions over total deductions	500	3,687	36,997	(1,697)	594	-	840	-	(491)	40,430
Cash and investment fund balance - beginning	2,500	16,719	-	2,246	41,003	483	510	962	498	64,921
Cash and investments - June 30	<u>\$ 3,000</u>	<u>\$ 20,406</u>	<u>\$ 36,997</u>	<u>\$ 549</u>	<u>\$ 41,597</u>	<u>\$ 483</u>	<u>\$ 1,350</u>	<u>\$ 962</u>	<u>\$ 7</u>	<u>\$ 105,351</u>
Net assets:										
Cash and investments	\$ 3,000	\$ 20,406	\$ 36,997	\$ 549	\$ 41,597	\$ 483	\$ 1,350	\$ 962	\$ 7	\$ 105,351
Total net assets - cash and investment basis held in trust	<u>\$ 3,000</u>	<u>\$ 20,406</u>	<u>\$ 36,997</u>	<u>\$ 549</u>	<u>\$ 41,597</u>	<u>\$ 483</u>	<u>\$ 1,350</u>	<u>\$ 962</u>	<u>\$ 7</u>	<u>\$ 105,351</u>

MADISON 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

	Reading Recovery Site Training	Donation	Project Lead The Way	Project Lead The Way	Anderson Wrap- Around Kindergarten	A. S. Custer	Education Foundation	GED	Cub Field Renovation Donation	CPR Training	Totals
<b>Additions:</b>											
Contributions:											
Other	\$ 16,500	\$ 2,110	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ 4,085	\$ -	\$ -	\$ 34,695
Investment earnings:											
Interest	-	-	-	-	-	923	-	-	-	-	923
Total additions	16,500	2,110	-	12,000	-	923	-	4,085	-	-	35,618
<b>Deductions:</b>											
Administrative and general	5,345	17,550	36,614	2,005	440	1,725	-	4,150	-	-	67,829
Excess (deficiency) of total additions over total deductions	11,155	(15,440)	(36,614)	9,995	(440)	(802)	-	(65)	-	-	(32,211)
Cash and investment fund balance - beginning	3,000	20,406	36,997	-	549	41,597	483	1,350	962	7	105,351
Cash and investments - June 30	\$ 14,155	\$ 4,966	\$ 383	\$ 9,995	\$ 109	\$ 40,795	\$ 483	\$ 1,285	\$ 962	\$ 7	\$ 73,140
<b>Net assets:</b>											
Cash and investments	\$ 14,155	\$ 4,966	\$ 383	\$ 9,995	\$ 109	\$ 40,795	\$ 483	\$ 1,285	\$ 962	\$ 7	\$ 73,140
Total net assets - cash and investment basis held in trust	\$ 14,155	\$ 4,966	\$ 383	\$ 9,995	\$ 109	\$ 40,795	\$ 483	\$ 1,285	\$ 962	\$ 7	\$ 73,140

MADISON CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2009

	<u>Employee Benefit Fund</u>	<u>Totals</u>
Additions:		
Agency fund additions	<u>\$ 3,786,879</u>	<u>\$ 3,786,879</u>
Deductions:		
Agency fund deductions	<u>3,779,371</u>	<u>3,779,371</u>
Excess (deficiency) of total additions over total deductions	7,508	7,508
Cash and investment fund balance - beginning	<u>216,421</u>	<u>216,421</u>
Cash and investment fund balance - ending	<u><u>\$ 223,929</u></u>	<u><u>\$ 223,929</u></u>

MADISON CONSOLIDATED SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2010

	Employee Benefit Fund	Payroll	Totals
Additions:			
Agency fund additions	\$ 5,636,064	\$ 675	\$ 5,636,739
Deductions:			
Agency fund deductions	3,381,980	-	3,381,980
Excess (deficiency) of total additions over total deductions	2,254,084	675	2,254,759
Cash and investment fund balance - beginning	223,929	-	223,929
Cash and investment fund balance - ending	\$ 2,478,013	\$ 675	\$ 2,478,688

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Madison Senior High School	\$ 4,430,000	\$ 1,186,000
Madison Junior High School	4,910,000	597,500
Lydia Middleton Elementary	9,345,000	1,167,000
Notes and loans payable:		
Textbook contracts	322,386	189,560
Bonds payable:		
General obligation bonds:		
Retirement	<u>5,505,000</u>	<u>1,402,461</u>
Total governmental activities debt	<u>\$ 24,512,386</u>	<u>\$ 4,542,521</u>

MADISON CONSOLIDATED SCHOOLS  
AUDIT RESULT AND COMMENT

OPTICAL IMAGES OF CHECKS AND DEPOSIT SLIPS

(Applies to Anderson Elementary School; Deputy Elementary School; Dupont Elementary School; Lydia Middleton Elementary School; E. O. Muncie Elementary School; and Rykers' Ridge Elementary School)

The financial institution did not return the actual cancelled checks and deposit slips with the monthly bank statements, but instead returned only an optical image of the front side of the checks. Additionally, an optical image of the back side of the checks or the front and back of the deposit slips was not returned.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 MADISON CONSOLIDATED SCHOOLS, JEFFERSON COUNTY, INDIANA

Compliance

We have audited the compliance of Madison 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 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 27, 2011

MADISON 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
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553	FY 09	\$ 156,682	\$ -
		FY 10	-	172,055
National School Lunch Program	10.555	FY 09	586,977	-
		FY 10	-	661,836
Total for cluster			<u>743,659</u>	<u>833,891</u>
Pass-Through Indiana Department of Education ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	FY 10	-	12,110
Total for program			-	12,110
Total for federal grantor agency			<u>743,659</u>	<u>846,001</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
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 09	1,784,502	-
		FY 10	-	686,979
Total for cluster			<u>1,784,502</u>	<u>686,979</u>
Pass-Through Indiana Department of Education Title I, Part A Cluster	84.010			
Title I Grants to Local Educational Agencies				
Delinquent Children FY 08		08-3995	13,431	-
Delinquent Children FY 09		09-3995	5,052	23,630
Delinquent Children FY 10		10-3995	-	10,633
Basic Grant FY 08		08-3995	135,774	-
Basic Grant FY 09		09-3995	488,613	216,034
Basic Grant FY 10		10-3995	-	519,569
School Improvement FY 08		08-3995	12,931	-
School Improvement FY 10		10-3995	237,869	275,868
Total for program			<u>893,670</u>	<u>1,045,734</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		09-3995	1,547	239,901
		10-3995	-	10,255
Total for program			<u>1,547</u>	<u>250,156</u>
Total for cluster			<u>895,217</u>	<u>1,295,890</u>
Pass-Through Indiana Department of Education Education Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386			
		FY 10	-	214,470
Total for cluster			-	<u>214,470</u>

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

MADISON 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>				
Direct				
Fund for the Improvement of Education	84.215			
Ohio River Teaching American History Project		FY 09	233,999	-
Total for program			233,999	-
Pass-Through Indiana Department of Education				
Safe and Drug-Free School and Communities - State Grants	84.186			
		FY 07	1,257	-
		FY 08	14,019	1,624
		FY 10	-	10,480
Total for program			15,276	12,104
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
		FY 08	3,930	-
		FY 09	193	3,261
Total for program			4,123	3,261
Pass-Through Indiana Department of Education				
Reading First State Grants	84.357			
		FY 08	165,518	-
		FY 09	213,482	154,926
		FY 10	-	129,672
Total for program			379,000	284,598
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants	84.367			
		FY 08	93,786	-
		FY 09	105,300	96,985
		FY 10	-	111,573
Total for program			199,086	208,558
Total for federal grantor agency			3,511,203	2,705,860
Total federal awards expended			<u>\$ 4,254,862</u>	<u>\$ 3,551,861</u>

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

MADISON 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 Madison 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	2009	2010
National School Lunch Program	10.555	\$ 84,546	\$ 85,547

MADISON 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:

CFDA Number	Name of Federal Program or Cluster
84.367	State Fiscal Stabilization Cluster Title I, Part A Cluster Education Technology State Grants Improving Teacher Quality State Grants

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.

MADISON CONSOLIDATED SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MADISON CONSOLIDATED SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 27, 2011, with Dr. Thomas G. Patterson, Superintendent of Schools; Kathy M. May, Director of Finance; Charlene O'Connell, Treasurer; Andrew D. Lytle, President of the School Board; and Sharon Hay, Deputy Treasurer. The officials concurred with our audit findings.