

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

AUDIT REPORT
OF
SCOTT COUNTY SCHOOL DISTRICT 1
SCOTT COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
03/04/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Kenneth Kidd Kathie E. Bowling	07-01-08 to 12-31-08 01-01-09 to 06-30-11
Superintendent of Schools	Berley Goodin	07-01-08 to 06-30-11
President of the School Board	Linda Spicer Richard Peterson Darlene Hall	07-01-08 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scott County School District 1 (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 15, 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, 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, Schedule of Capital Assets, 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 Capital Assets and Schedule of Long-Term Debt have 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 them.

STATE BOARD OF ACCOUNTS

February 15, 2011



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

TO: THE OFFICIALS OF THE SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scott County School District 1 (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 15, 2011

SCOTT COUNTY SCHOOL DISTRICT 1
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>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 6,791,099	\$ -	\$ 187,053	\$ -	\$ (6,604,046)
Support services	4,646,650	175,631	591,686	-	(3,879,333)
Noninstructional services	897,300	-	-	-	(897,300)
Facilities acquisition and construction	167,804	-	-	-	(167,804)
Debt service	1,464,867	-	-	-	(1,464,867)
Nonprogrammed charges	730,583	-	-	-	(730,583)
Total governmental activities	<u>\$ 14,698,303</u>	<u>\$ 175,631</u>	<u>\$ 778,739</u>	<u>\$ -</u>	<u>(13,743,933)</u>
General receipts:					
Property taxes					4,111,482
Other local sources					611,736
State aid					8,526,593
Grants and contributions not restricted to specific programs					1,720,770
Sale of property					72,253
Investment earnings					34,224
Other					<u>257</u>
Total general receipts					<u>15,077,315</u>
Change in net assets					1,333,382
Net assets - beginning					<u>3,009,811</u>
Net assets - ending					<u>\$ 4,343,193</u>
Assets					
Cash and investments					\$ 3,539,215
Restricted assets:					
Cash and investments					<u>803,978</u>
Total assets					<u>\$ 4,343,193</u>
Net Assets					
Restricted for:					
Debt service					\$ 803,978
Unrestricted					<u>3,539,215</u>
Total net assets					<u>\$ 4,343,193</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts			<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:					
Instruction	\$ 6,703,404	\$ -	\$ 194,341	\$ -	\$ (6,509,063)
Support services	4,273,341	181,809	607,002	-	(3,484,530)
Noninstructional services	852,519	-	-	-	(852,519)
Facilities acquisition and construction	216,251	-	-	-	(216,251)
Debt service	1,802,137	-	-	-	(1,802,137)
Nonprogrammed charges	695,716	-	-	-	(695,716)
Total governmental activities	<u>\$ 14,543,368</u>	<u>\$ 181,809</u>	<u>\$ 801,343</u>	<u>\$ -</u>	<u>(13,560,216)</u>
General receipts:					
Property taxes					2,200,793
Other local sources					295,093
State aid					10,226,264
Grants and contributions not restricted to specific programs					1,613,212
Sale of property					28,151
Investment earnings					48,708
Other					6,120
Total general receipts					<u>14,418,341</u>
Change in net assets					858,125
Net assets - beginning					<u>4,343,193</u>
Net assets - ending					<u>\$ 5,201,318</u>
Assets					
Cash and investments					\$ 4,808,923
Restricted assets:					
Cash and investments					<u>392,395</u>
Total assets					<u>\$ 5,201,318</u>
Net Assets					
Restricted for:					
Debt service					\$ 392,395
Unrestricted					<u>4,808,923</u>
Total net assets					<u>\$ 5,201,318</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 1,598,115	\$ -	\$ -	\$ 1,632,788	\$ 619,656	\$ 1,082,270	\$ 4,932,829
Intermediate sources	-	-	-	-	-	244	244
State sources	8,674,013	-	-	-	-	185,095	8,859,108
Federal sources	-	-	848,653	-	-	1,318,341	2,166,994
Other	257	-	-	-	-	-	257
Total receipts	10,272,385	-	848,653	1,632,788	619,656	2,585,950	15,959,432
Disbursements:							
Current:							
Instruction	5,934,857	-	-	-	-	856,242	6,791,099
Support services	3,387,304	-	-	-	325,706	933,640	4,646,650
Noninstructional services	218,783	-	-	-	-	678,517	897,300
Facilities acquisition and construction	-	-	-	-	167,804	-	167,804
Debt services	-	-	-	1,304,414	-	160,453	1,464,867
Nonprogrammed charges	697,583	-	-	-	-	33,000	730,583
Total disbursements	10,238,527	-	-	1,304,414	493,510	2,661,852	14,698,303
Excess (deficiency) of receipts over disbursements	33,858	-	848,653	328,374	126,146	(75,902)	1,261,129
Other financing sources (uses):							
Sale of capital assets	34,785	-	-	-	-	37,468	72,253
Transfers in	13,458	-	-	-	-	162,887	176,345
Transfers out	(57,095)	-	-	-	-	(119,250)	(176,345)
Total other financing sources (uses)	(8,852)	-	-	-	-	81,105	72,253
Excess of receipts and other financing sources over disbursements and other financing uses	25,006	-	848,653	328,374	126,146	5,203	1,333,382
Cash and investments - beginning	886,330	550,000	-	478,046	821,188	274,247	3,009,811
Cash and investments - ending	<u>\$ 911,336</u>	<u>\$ 550,000</u>	<u>\$ 848,653</u>	<u>\$ 806,420</u>	<u>\$ 947,334</u>	<u>\$ 279,450</u>	<u>\$ 4,343,193</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 911,336	\$ 550,000	\$ 848,653	\$ -	\$ 947,334	\$ 281,892	\$ 3,539,215
Restricted assets:							
Cash and investments	-	-	-	806,420	-	(2,442)	803,978
Total cash and investment assets - ending	<u>\$ 911,336</u>	<u>\$ 550,000</u>	<u>\$ 848,653</u>	<u>\$ 806,420</u>	<u>\$ 947,334</u>	<u>\$ 279,450</u>	<u>\$ 4,343,193</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 806,420	\$ -	\$ (2,442)	\$ 803,978
Unrestricted	911,336	550,000	848,653	-	947,334	281,892	3,539,215
Total cash and investment fund balance - ending	<u>\$ 911,336</u>	<u>\$ 550,000</u>	<u>\$ 848,653</u>	<u>\$ 806,420</u>	<u>\$ 947,334</u>	<u>\$ 279,450</u>	<u>\$ 4,343,193</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 113,221	\$ -	\$ -	\$ 1,125,093	\$ 759,736	\$ 728,222	\$ 2,726,272
Intermediate sources	-	-	-	-	-	131	131
State sources	10,380,610	-	-	67,622	-	198,788	10,647,020
Federal sources	-	-	284,423	-	-	1,709,376	1,993,799
Other	6,120	-	-	-	-	-	6,120
Total receipts	10,499,951	-	284,423	1,192,715	759,736	2,636,517	15,373,342
Disbursements:							
Current:							
Instruction	4,594,028	-	1,052,294	-	-	1,057,082	6,703,404
Support services	2,893,172	-	224,447	-	498,486	657,236	4,273,341
Noninstructional services	176,682	-	18,701	-	-	657,136	852,519
Facilities acquisition and construction	-	-	-	-	216,251	-	216,251
Debt services	-	-	-	1,644,617	-	157,520	1,802,137
Nonprogrammed charges	673,716	-	-	-	-	22,000	695,716
Total disbursements	8,337,598	-	1,295,442	1,644,617	714,737	2,550,974	14,543,368
Excess (deficiency) of receipts over disbursements	2,162,353	-	(1,011,019)	(451,902)	44,999	85,543	829,974
Other financing sources (uses):							
Sale of capital assets	2,102	-	-	-	-	26,049	28,151
Transfers in	86,699	150,000	134,560	-	-	104,843	476,102
Transfers out	(136,584)	-	-	-	(120,000)	(219,518)	(476,102)
Total other financing sources (uses)	(47,783)	150,000	134,560	-	(120,000)	(88,626)	28,151
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,114,570	150,000	(876,459)	(451,902)	(75,001)	(3,083)	858,125
Cash and investments - beginning	911,338	550,000	848,653	806,420	947,335	279,447	4,343,193
Cash and investments - ending	\$ 3,025,908	\$ 700,000	\$ (27,806)	\$ 354,518	\$ 872,334	\$ 276,364	\$ 5,201,318
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,025,908	\$ 700,000	\$ (27,806)	\$ -	\$ 872,334	\$ 238,487	\$ 4,808,923
Restricted assets:							
Cash and investments	-	-	-	354,518	-	37,877	392,395
Total cash and investment assets - ending	\$ 3,025,908	\$ 700,000	\$ (27,806)	\$ 354,518	\$ 872,334	\$ 276,364	\$ 5,201,318
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 354,518	\$ -	\$ 37,877	\$ 392,395
Unrestricted	3,025,908	700,000	(27,806)	-	872,334	238,487	4,808,923
Total cash and investment fund balance - ending	\$ 3,025,908	\$ 700,000	\$ (27,806)	\$ 354,518	\$ 872,334	\$ 276,364	\$ 5,201,318

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

SCOTT COUNTY SCHOOL DISTRICT 1
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 Fund
Additions:			
Contributions:			
Other	\$ -	\$ 66,009	
Deductions:			
Administrative and general	-	42,983	
Excess of total additions over total deductions	-	23,026	
Cash and investment fund balance - beginning	<u>218,369</u>	<u>(9,614)</u>	
Cash and investment fund balance - ending	<u>\$ 218,369</u>	<u>\$ 13,412</u>	<u>\$ 37,640</u>
Net assets:			
Cash and investments	<u>\$ 218,369</u>	<u>\$ 13,412</u>	<u>\$ 37,640</u>
Total net assets - cash and investment basis held in trust	<u>\$ 218,369</u>	<u>\$ 13,412</u>	<u>\$ 37,640</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
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 Fund
Additions:			
Contributions:			
Other	\$ -	\$ 36,125	
Deductions:			
Administrative and general	-	35,927	
Excess of total additions over total deductions	-	198	
Cash and investment fund balance - beginning	218,369	13,413	
Cash and investment fund balance - ending	\$ 218,369	\$ 13,611	\$ 90,643
Net assets:			
Cash and investments	\$ 218,369	\$ 13,611	\$ 90,643
Total net assets - cash and investment basis held in trust	\$ 218,369	\$ 13,611	\$ 90,643

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

SCOTT COUNTY SCHOOL DISTRICT 1
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: Scott County School District 1

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

Joint Venture

The School Corporation is a participant in a joint venture to operate 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 \$568,579 annually to supplement the Madison Area Educational Special Services Unit. Complete financial statements for the Madison Area Educational Special Services Unit can be obtained from MAESSU administrative office in Madison, Indiana.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

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

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

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

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

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

Additionally, the School Corporation reports the following fund 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 and its students.

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.

SCOTT COUNTY SCHOOL DISTRICT 1
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 or internal service funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively.

4. Capital Assets

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

5. Long-Term Debt

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

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

Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

SCOTT COUNTY SCHOOL DISTRICT 1
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

G. Rounding Differences

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

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

Fund	2008	2009
Transportation Operating	\$ 53,315	\$ -
Special Education Preschool	-	91,328
Totals	\$ 53,315	\$ 91,328

As a result of disbursements made in excess of budgeted appropriations, deficit cash balances occurred which were remedied in the following years by future receipts.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Cash Balance Deficits

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

Fund	2009	2010
Transportation Operating	\$ -	\$ 64,649
Special Education Preschool	23,962	37
Textbook Rental	100,728	112,542
Retirement Bond	2,442	-
Candy Factory Austin Middle School	150	-
We Care	252	-
Community Foundation Grants	-	121
Totals	<u>\$ 127,534</u>	<u>\$ 177,349</u>

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

At June 30, 2009 and 2010, the following grant funds reported deficits in cash:

Fund	2009	2010
Fiscal Stabilization	\$ -	\$ 27,806
Title I 2006	26,231	-
Drug-Free Schools 2003	52,132	52,228
Drug-Free Schools	826	826
Drug-Free Schools 2006	3,691	3,691
Title II Part A Class Size	35,816	77,956
Title II Part D FY 2005	26,921	26,921
Title II Part D Comp 2005	16,811	16,809
Distance Learning Grant	-	500
ARRA Title I	23,612	-
Totals	<u>\$ 186,040</u>	<u>\$ 206,737</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$5,283,760.

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

2. Investments

Statutory Authorization for Investments

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

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

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

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
General Fund	Fiscal Stabilization Fund	\$ -	\$ 134,560
	Other Governmental Funds	57,095	2,024
Capital Projects Fund	Rainy Day Fund	-	120,000
Other Governmental Funds	General Fund	13,458	86,699
	Rainy Day Fund	-	30,000
	Other Governmental Funds	<u>105,792</u>	<u>102,819</u>
Totals		<u>\$ 176,345</u>	<u>\$ 476,102</u>

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

IV. Other Information

A. Risk Management

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

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

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

B. Holding Corporation

The School Corporation has entered into a capital lease with the Scott County 1998 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 \$473,000, and \$505,000, respectively.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

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 \$193,932.

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.

SCOTT COUNTY SCHOOL DISTRICT 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$398,588.

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	IU Southeast Partnership	IUS Book	Education License Plate
Receipts:							
Local sources	\$ 419,237	\$ 5,681	\$ 180,592	\$ 44,611	\$ -	\$ 1,000	\$ -
Intermediate sources	-	-	-	-	-	-	244
State sources	-	41,168	3,054	99,240	8,100	-	-
Federal sources	-	-	489,604	-	-	-	-
Total receipts	419,237	46,849	673,250	143,851	8,100	1,000	244
Disbursements:							
Current:							
Instruction	-	63,674	-	-	4,774	-	-
Support services	309,269	-	-	150,256	9,852	108	-
Noninstructional services	-	-	678,517	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	33,000	-	-	-	-	-
Total disbursements	309,269	96,674	678,517	150,256	14,626	108	-
Excess (deficiency) of receipts over disbursements	109,968	(49,825)	(5,267)	(6,405)	(6,526)	892	244
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	559	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	559	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	109,968	(49,825)	(5,267)	(6,405)	(6,526)	1,451	244
Cash and investments - beginning	(93,608)	25,863	140,840	(94,323)	11,266	(1,451)	4,320
Cash and investments - ending	\$ 16,360	\$ (23,962)	\$ 135,573	\$ (100,728)	\$ 4,740	\$ -	\$ 4,564
Cash and Investment Assets - Ending							
Cash and investments	\$ 16,360	\$ (23,962)	\$ 135,573	\$ (100,728)	\$ 4,740	\$ -	\$ 4,564
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 16,360	\$ (23,962)	\$ 135,573	\$ (100,728)	\$ 4,740	\$ -	\$ 4,564
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	16,360	(23,962)	135,573	(100,728)	4,740	-	4,564
Total cash and investment fund balance - ending	\$ 16,360	\$ (23,962)	\$ 135,573	\$ (100,728)	\$ 4,740	\$ -	\$ 4,564

SCOTT COUNTY SCHOOL DISTRICT 1
 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 School	Early Intervention	Gifted and Talented	Non English Speaking Programs	School Technology	Technology Plan Grant 96/2003	Tophat Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	31,533	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	-	-	31,533	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	3,465	-	-	-	9,065
Support services	-	500	13,711	-	-	-	12,387
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	500	17,176	-	-	-	21,452
Excess (deficiency) of receipts over disbursements	-	(500)	14,357	-	-	-	(21,452)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	11,038	-	-	-	-	-	36,619
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	11,038	-	-	-	-	-	36,619
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,038	(500)	14,357	-	-	-	15,167
Cash and investments - beginning	(11,038)	1,000	18,558	221	2,789	139	(15,167)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 32,915</u>	<u>\$ 221</u>	<u>\$ 2,789</u>	<u>\$ 139</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 500	\$ 32,915	\$ 221	\$ 2,789	\$ 139	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 32,915</u>	<u>\$ 221</u>	<u>\$ 2,789</u>	<u>\$ 139</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	500	32,915	221	2,789	139	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 32,915</u>	<u>\$ 221</u>	<u>\$ 2,789</u>	<u>\$ 139</u>	<u>\$ -</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	Literacy Grant	Scott County Community Channel	Title I 2006	Title I	ESEA Chapter 1 Year 2002	Title I 2008-09	Title I FY 04-05
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	2,000	-	-	-	-	-	-
Federal sources	-	-	-	99,456	-	365,150	-
Total receipts	2,000	-	-	99,456	-	365,150	-
Disbursements:							
Current:							
Instruction	1,930	12,954	-	91,170	-	316,022	-
Support services	-	11,362	-	126,072	-	9,282	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,930	24,316	-	217,242	-	325,304	-
Excess (deficiency) of receipts over disbursements	70	(24,316)	-	(117,786)	-	39,846	-
Other financing sources (uses):							
Sale of capital assets	-	37,468	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(13,614)	-	-	-	-	-
Total other financing sources (uses)	-	23,854	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	70	(462)	-	(117,786)	-	39,846	-
Cash and investments - beginning	-	6,406	(26,231)	145,821	40,000	-	45,216
Cash and investments - ending	<u>\$ 70</u>	<u>\$ 5,944</u>	<u>\$ (26,231)</u>	<u>\$ 28,035</u>	<u>\$ 40,000</u>	<u>\$ 39,846</u>	<u>\$ 45,216</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 70	\$ 5,944	\$ (26,231)	\$ 28,035	\$ 40,000	\$ 39,846	\$ 45,216
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 70</u>	<u>\$ 5,944</u>	<u>\$ (26,231)</u>	<u>\$ 28,035</u>	<u>\$ 40,000</u>	<u>\$ 39,846</u>	<u>\$ 45,216</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	70	5,944	(26,231)	28,035	40,000	39,846	45,216
Total cash and investment fund balance - ending	<u>\$ 70</u>	<u>\$ 5,944</u>	<u>\$ (26,231)</u>	<u>\$ 28,035</u>	<u>\$ 40,000</u>	<u>\$ 39,846</u>	<u>\$ 45,216</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	School Improvement Grant-Title I AES	Title V FY 2004	Title V	IASA Title VI FY 02	Title VI-B Rural and Low Income	I - Read Grant	Drug Free Schools 06
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	36,858	-	8,456
Total receipts	-	-	-	-	36,858	-	8,456
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	28,439	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	28,439	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(28,439)	-	-	-	36,858	-	8,456
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	7,173	200	-	4,107	-
Transfers out	-	-	-	-	(36,858)	-	-
Total other financing sources (uses)	-	-	7,173	200	(36,858)	4,107	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,439)	-	7,173	200	-	4,107	8,456
Cash and investments - beginning	30,215	4,181	(7,173)	(200)	-	(4,107)	20,991
Cash and investments - ending	\$ 1,776	\$ 4,181	\$ -	\$ -	\$ -	\$ -	\$ 29,447
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,776	\$ 4,181	\$ -	\$ -	\$ -	\$ -	\$ 29,447
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,776	\$ 4,181	\$ -	\$ -	\$ -	\$ -	\$ 29,447
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,776	4,181	-	-	-	-	29,447
Total cash and investment fund balance - ending	\$ 1,776	\$ 4,181	\$ -	\$ -	\$ -	\$ -	\$ 29,447

SCOTT COUNTY SCHOOL DISTRICT 1
 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 Schools 2003	Title IV A Drug Free Schools 04	Drug Free Schools	Drug Free Schools 06	Medicaid Reimbursement Federal	Educate Indiana Grants
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	13,310	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	13,310	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(13,310)	-	-	-	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(542)	(12,916)
Total other financing sources (uses)	-	-	-	-	(542)	(12,916)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,310)	-	-	-	(542)	(12,916)
Cash and investments - beginning	(38,822)	969	(826)	(3,691)	542	12,916
Cash and investments - ending	<u><u>\$ (52,132)</u></u>	<u><u>\$ 969</u></u>	<u><u>\$ (826)</u></u>	<u><u>\$ (3,691)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (52,132)	\$ 969	\$ (826)	\$ (3,691)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u><u>\$ (52,132)</u></u>	<u><u>\$ 969</u></u>	<u><u>\$ (826)</u></u>	<u><u>\$ (3,691)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(52,132)	969	(826)	(3,691)	-	-
Total cash and investment fund balance - ending	<u><u>\$ (52,132)</u></u>	<u><u>\$ 969</u></u>	<u><u>\$ (826)</u></u>	<u><u>\$ (3,691)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	21st Century Community Learning Center	IASA Class-Size Reduction Program	Title II Part A Class Size	Title II Part D FY 2003	Title II Part D FY 2005	Title II Part D Comp 2005
Receipts:						
Local sources	\$ 2,450	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	159,237	-	115,587	-	-	43,993
Total receipts	161,687	-	115,587	-	-	43,993
Disbursements:						
Current:						
Instruction	170,123	-	154,153	5,300	-	-
Support services	19,571	-	-	45,320	-	36,858
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	189,694	-	154,153	50,620	-	36,858
Excess (deficiency) of receipts over disbursements	(28,007)	-	(38,566)	(50,620)	-	7,135
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	10,000	45,320	-	36,858
Transfers out	-	-	-	(10,000)	-	(45,320)
Total other financing sources (uses)	-	-	10,000	35,320	-	(8,462)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,007)	-	(28,566)	(15,300)	-	(1,327)
Cash and investments - beginning	54,265	575	(7,250)	88,019	(26,921)	(15,484)
Cash and investments - ending	<u>\$ 26,258</u>	<u>\$ 575</u>	<u>\$ (35,816)</u>	<u>\$ 72,719</u>	<u>\$ (26,921)</u>	<u>\$ (16,811)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 26,258	\$ 575	\$ (35,816)	\$ 72,719	\$ (26,921)	\$ (16,811)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 26,258	\$ 575	\$ (35,816)	\$ 72,719	\$ (26,921)	\$ (16,811)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	26,258	575	(35,816)	72,719	(26,921)	(16,811)
Total cash and investment fund balance - ending	\$ 26,258	\$ 575	\$ (35,816)	\$ 72,719	\$ (26,921)	\$ (16,811)

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title III Language Instruction	ARRA Title I	Retirement Bond	School Bus Replacement	Scott County 1998 School Building Corp.	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 161,247	\$ 267,452	\$ -	\$ 1,082,270
Intermediate sources	-	-	-	-	-	244
State sources	-	-	-	-	-	185,095
Federal sources	-	-	-	-	-	1,318,341
Total receipts	-	-	161,247	267,452	-	2,585,950
Disbursements:						
Current:						
Instruction	-	23,612	-	-	-	856,242
Support services	-	-	-	147,343	-	933,640
Noninstructional services	-	-	-	-	-	678,517
Debt services	-	-	160,453	-	-	160,453
Nonprogrammed charges	-	-	-	-	-	33,000
Total disbursements	-	23,612	160,453	147,343	-	2,661,852
Excess (deficiency) of receipts over disbursements	-	(23,612)	794	120,109	-	(75,902)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	37,468
Transfers in	-	-	-	-	11,013	162,887
Transfers out	-	-	-	-	-	(119,250)
Total other financing sources (uses)	-	-	-	-	11,013	81,105
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(23,612)	794	120,109	11,013	5,203
Cash and investments - beginning	2,352	-	(3,236)	(22,676)	(11,013)	274,247
Cash and investments - ending	<u>\$ 2,352</u>	<u>\$ (23,612)</u>	<u>\$ (2,442)</u>	<u>\$ 97,433</u>	<u>\$ -</u>	<u>\$ 279,450</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,352	\$ (23,612)	\$ -	\$ 97,433	\$ -	\$ 281,892
Restricted assets:						
Cash and investments	-	-	(2,442)	-	-	(2,442)
Total cash and investment assets - ending	<u>\$ 2,352</u>	<u>\$ (23,612)</u>	<u>\$ (2,442)</u>	<u>\$ 97,433</u>	<u>\$ -</u>	<u>\$ 279,450</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (2,442)	\$ -	\$ -	\$ (2,442)
Unrestricted	2,352	(23,612)	-	97,433	-	281,892
Total cash and investment fund balance - ending	<u>\$ 2,352</u>	<u>\$ (23,612)</u>	<u>\$ (2,442)</u>	<u>\$ 97,433</u>	<u>\$ -</u>	<u>\$ 279,450</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	IU Southeast Partnership	Education License Plate	Early Intervention
Receipts:							
Local sources	\$ 237,420	\$ -	\$ 177,001	\$ 36,633	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	131	-
State sources	-	81,660	2,777	74,356	8,988	-	-
Federal sources	-	-	529,869	-	-	-	-
Total receipts	237,420	81,660	709,647	110,989	8,988	131	-
Disbursements:							
Current:							
Instruction	-	37,760	-	-	5,097	-	-
Support services	318,428	-	-	122,802	2,577	87	500
Noninstructional services	-	-	657,136	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	22,000	-	-	-	-	-
Total disbursements	318,428	59,760	657,136	122,802	7,674	87	500
Excess (deficiency) of receipts over disbursements	(81,008)	21,900	52,511	(11,813)	1,314	44	(500)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	2,024	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	2,024	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81,008)	23,924	52,511	(11,813)	1,314	44	(500)
Cash and investments - beginning	16,359	(23,961)	135,573	(100,729)	4,740	4,563	500
Cash and investments - ending	<u>\$ (64,649)</u>	<u>\$ (37)</u>	<u>\$ 188,084</u>	<u>\$ (112,542)</u>	<u>\$ 6,054</u>	<u>\$ 4,607</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (64,649)	\$ (37)	\$ 188,084	\$ (112,542)	\$ 6,054	\$ 4,607	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (64,649)</u>	<u>\$ (37)</u>	<u>\$ 188,084</u>	<u>\$ (112,542)</u>	<u>\$ 6,054</u>	<u>\$ 4,607</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(64,649)	(37)	188,084	(112,542)	6,054	4,607	-
Total cash and investment fund balance - ending	<u>\$ (64,649)</u>	<u>\$ (37)</u>	<u>\$ 188,084</u>	<u>\$ (112,542)</u>	<u>\$ 6,054</u>	<u>\$ 4,607</u>	<u>\$ -</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Gifted and Talented	Non English Speaking Programs	School Technology	Technology Plan Grant 96/2003	Literacy Grant	Scott County Community Channel	Title I 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	31,007	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	31,007	-	-	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	15,882	-
Support services	-	-	-	-	-	8,678	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	24,560	-
Excess (deficiency) of receipts over disbursements	31,007	-	-	-	-	(24,560)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	26,049	-
Transfers in	-	-	-	-	-	-	26,231
Transfers out	(63,922)	-	-	-	-	-	-
Total other financing sources (uses)	(63,922)	-	-	-	-	26,049	26,231
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,915)	-	-	-	-	1,489	26,231
Cash and investments - beginning	32,915	221	2,789	139	70	5,944	(26,231)
Cash and investments - ending	\$ -	\$ 221	\$ 2,789	\$ 139	\$ 70	\$ 7,433	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 221	\$ 2,789	\$ 139	\$ 70	\$ 7,433	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 221	\$ 2,789	\$ 139	\$ 70	\$ 7,433	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	221	2,789	139	70	7,433	-
Total cash and investment fund balance - ending	\$ -	\$ 221	\$ 2,789	\$ 139	\$ 70	\$ 7,433	\$ -

SCOTT COUNTY SCHOOL DISTRICT 1
 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	ESEA Chapter 1 Year 2002	Title I 2008-09	Title I 2009-10	Title I FY 04-05	School Improvement Grant-Title I AES	Title V FY 2004
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	78,545	541,393	-	-	1,021
Total receipts	-	-	78,545	541,393	-	-	1,021
Disbursements:							
Current:							
Instruction	-	-	111,181	421,111	-	-	-
Support services	-	-	32,007	39,127	-	-	1,410
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	143,188	460,238	-	-	1,410
Excess (deficiency) of receipts over disbursements	-	-	(64,643)	81,155	-	-	(389)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	50,693	25,895	-	-	-
Transfers out	(10,693)	(40,000)	(25,895)	-	(45,216)	-	(3,792)
Total other financing sources (uses)	(10,693)	(40,000)	24,798	25,895	(45,216)	-	(3,792)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,693)	(40,000)	(39,845)	107,050	(45,216)	-	(4,181)
Cash and investments - beginning	28,035	40,000	39,845	-	45,216	1,776	4,181
Cash and investments - ending	<u>\$ 17,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,050</u>	<u>\$ -</u>	<u>\$ 1,776</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 17,342	\$ -	\$ -	\$ 107,050	\$ -	\$ 1,776	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 17,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,050</u>	<u>\$ -</u>	<u>\$ 1,776</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	17,342	-	-	107,050	-	1,776	-
Total cash and investment fund balance - ending	<u>\$ 17,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,050</u>	<u>\$ -</u>	<u>\$ 1,776</u>	<u>\$ -</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	Drug Free Schools 06	Drug Free Schools 2003	Title IV A Drug Free Schools 04	Drug Free Schools	Drug Free Schools 06	Distance Learning Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	<u>7,937</u>	-	-	-	-	-
Total receipts	<u>7,937</u>	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	3,925	96	-	-	-	500
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>3,925</u>	<u>96</u>	-	-	-	<u>500</u>
Excess (deficiency) of receipts over disbursements	<u>4,012</u>	<u>(96)</u>	-	-	-	<u>(500)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,012</u>	<u>(96)</u>	-	-	-	<u>(500)</u>
Cash and investments - beginning	<u>29,447</u>	<u>(52,132)</u>	<u>969</u>	<u>(826)</u>	<u>(3,691)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 33,459</u>	<u>\$ (52,228)</u>	<u>\$ 969</u>	<u>\$ (826)</u>	<u>\$ (3,691)</u>	<u>\$ (500)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 33,459	\$ (52,228)	\$ 969	\$ (826)	\$ (3,691)	\$ (500)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 33,459</u>	<u>\$ (52,228)</u>	<u>\$ 969</u>	<u>\$ (826)</u>	<u>\$ (3,691)</u>	<u>\$ (500)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>33,459</u>	<u>(52,228)</u>	<u>969</u>	<u>(826)</u>	<u>(3,691)</u>	<u>(500)</u>
Total cash and investment fund balance - ending	<u>\$ 33,459</u>	<u>\$ (52,228)</u>	<u>\$ 969</u>	<u>\$ (826)</u>	<u>\$ (3,691)</u>	<u>\$ (500)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 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)

	21st Century Community Learning Center	Alternative Learning Center Donations	IASA Class-Size Reduction Program	Title II Part A Class Size	Title II Part D FY 2003	Title II Part D FY 2005
Receipts:						
Local sources	\$ 900	\$ 2,400	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	140,731	-	-	116,140	-	-
Total receipts	141,631	2,400	-	116,140	-	-
Disbursements:						
Current:						
Instruction	191,314	871	-	158,280	-	-
Support services	3,994	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	195,308	871	-	158,280	-	-
Excess (deficiency) of receipts over disbursements	(53,677)	1,529	-	(42,140)	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(53,677)	1,529	-	(42,140)	-	-
Cash and investments - beginning	26,258	-	575	(35,816)	72,719	(26,921)
Cash and investments - ending	<u>\$ (27,419)</u>	<u>\$ 1,529</u>	<u>\$ 575</u>	<u>\$ (77,956)</u>	<u>\$ 72,719</u>	<u>\$ (26,921)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (27,419)	\$ 1,529	\$ 575	\$ (77,956)	\$ 72,719	\$ (26,921)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (27,419)</u>	<u>\$ 1,529</u>	<u>\$ 575</u>	<u>\$ (77,956)</u>	<u>\$ 72,719</u>	<u>\$ (26,921)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(27,419)	1,529	575	(77,956)	72,719	(26,921)
Total cash and investment fund balance - ending	<u>\$ (27,419)</u>	<u>\$ 1,529</u>	<u>\$ 575</u>	<u>\$ (77,956)</u>	<u>\$ 72,719</u>	<u>\$ (26,921)</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title II Part D Comp 2005	Title III Language Instruction	ARRA Title I	Retirement Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 197,839	\$ 76,029	\$ 728,222
Intermediate sources	-	-	-	-	-	131
State sources	-	-	-	-	-	198,788
Federal sources	<u>37,581</u>	-	<u>256,159</u>	-	-	<u>1,709,376</u>
Total receipts	<u>37,581</u>	-	<u>256,159</u>	<u>197,839</u>	<u>76,029</u>	<u>2,636,517</u>
Disbursements:						
Current:						
Instruction	-	-	115,586	-	-	1,057,082
Support services	37,579	368	309	-	84,849	657,236
Noninstructional services	-	-	-	-	-	657,136
Debt services	-	-	-	157,520	-	157,520
Nonprogrammed charges	-	-	-	-	-	22,000
Total disbursements	<u>37,579</u>	<u>368</u>	<u>115,895</u>	<u>157,520</u>	<u>84,849</u>	<u>2,550,974</u>
Excess (deficiency) of receipts over disbursements	<u>2</u>	<u>(368)</u>	<u>140,264</u>	<u>40,319</u>	<u>(8,820)</u>	<u>85,543</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	26,049
Transfers in	-	-	-	-	-	104,843
Transfers out	-	-	-	-	(30,000)	(219,518)
Total other financing sources (uses)	-	-	-	-	(30,000)	(88,626)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2</u>	<u>(368)</u>	<u>140,264</u>	<u>40,319</u>	<u>(38,820)</u>	<u>(3,083)</u>
Cash and investments - beginning	<u>(16,811)</u>	<u>2,352</u>	<u>(23,612)</u>	<u>(2,442)</u>	<u>97,433</u>	<u>279,447</u>
Cash and investments - ending	<u>\$ (16,809)</u>	<u>\$ 1,984</u>	<u>\$ 116,652</u>	<u>\$ 37,877</u>	<u>\$ 58,613</u>	<u>\$ 276,364</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (16,809)	\$ 1,984	\$ 116,652	\$ -	\$ 58,613	\$ 238,487
Restricted assets:						
Cash and investments	-	-	-	37,877	-	37,877
Total cash and investment assets - ending	<u>\$ (16,809)</u>	<u>\$ 1,984</u>	<u>\$ 116,652</u>	<u>\$ 37,877</u>	<u>\$ 58,613</u>	<u>\$ 276,364</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 37,877	\$ -	\$ 37,877
Unrestricted	(16,809)	1,984	116,652	-	58,613	238,487
Total cash and investment fund balance - ending	<u>\$ (16,809)</u>	<u>\$ 1,984</u>	<u>\$ 116,652</u>	<u>\$ 37,877</u>	<u>\$ 58,613</u>	<u>\$ 276,364</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Walmart Attendance Grant High School	Walmart Teacher of the Year McIntosh	Walmart Teacher of the Year Atkins/Plasse	Walmart Teacher of the Year Barger	Community Foundation Grants	River Valley Resources Project Gold High School	Montgomery Science	Beswick Scholarship
Additions:								
Contributions:								
Other	\$ 36	\$ -	\$ 1,000	\$ -	\$ 8,786	\$ -	\$ -	\$ 600
Deductions:								
Administrative and general	-	-	-	269	6,654	-	-	-
Excess (deficiency) of total additions over total deductions	36	-	1,000	(269)	2,132	-	-	600
Cash and investment fund balance - beginning	(36)	272	-	1,000	95	1,403	38	(600)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 1,000</u>	<u>\$ 731</u>	<u>\$ 2,227</u>	<u>\$ 1,403</u>	<u>\$ 38</u>	<u>\$ -</u>
Net assets:								
Cash and investments	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 1,000</u>	<u>\$ 731</u>	<u>\$ 2,227</u>	<u>\$ 1,403</u>	<u>\$ 38</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 1,000</u>	<u>\$ 731</u>	<u>\$ 2,227</u>	<u>\$ 1,403</u>	<u>\$ 38</u>	<u>\$ -</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Box Top Austin Elementary	Kids First	Candy Factory Austin Middle School	We Care	Blessing In a Backpack	Cape Grant	Totals
Additions:							
Contributions:							
Other	\$ 2,861	\$ 4,000	\$ 2,439	\$ 30,823	\$ 200	\$ 15,264	\$ 66,009
Deductions:							
Administrative and general	490	1,107	3,640	30,823	-	-	42,983
Excess (deficiency) of total additions over total deductions	2,371	2,893	(1,201)	-	200	15,264	23,026
Cash and investment fund balance - beginning	1,660	1,019	1,051	(252)	-	(15,264)	(9,614)
Cash and investments - ending	<u>\$ 4,031</u>	<u>\$ 3,912</u>	<u>\$ (150)</u>	<u>\$ (252)</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 13,412</u>
Net assets:							
Cash and investments	<u>\$ 4,031</u>	<u>\$ 3,912</u>	<u>\$ (150)</u>	<u>\$ (252)</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 13,412</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,031</u>	<u>\$ 3,912</u>	<u>\$ (150)</u>	<u>\$ (252)</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 13,412</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	Walmart Teacher of the Year McIntosh	Walmart Teacher of the Year Atkins/Plasse	Walmart Teacher of the Year Barger	Community Foundation Grants	River Valley Resources Project Gold High School	Montgomery Science
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:						
Administrative and general	-	41	731	2,349	-	-
Excess (deficiency) of total additions over total deductions	-	(41)	(731)	(2,349)	-	-
Cash and investment fund balance - beginning	272	1,000	731	2,228	1,403	38
Cash and investments - ending	<u>\$ 272</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ (121)</u>	<u>\$ 1,403</u>	<u>\$ 38</u>
Net assets:						
Cash and investments	<u>\$ 272</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ (121)</u>	<u>\$ 1,403</u>	<u>\$ 38</u>
Total net assets - cash and investment basis held in trust	<u>\$ 272</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ (121)</u>	<u>\$ 1,403</u>	<u>\$ 38</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Box Top Austin Elementary	Kids First	Candy Factory Austin Middle School	We Care	Blessing In a Backpack	Totals
Additions:						
Contributions:						
Other	\$ 1,494	\$ 4,000	\$ 1,340	\$ 29,291	\$ -	\$ 36,125
Deductions:						
Administrative and general	1,014	1,644	999	29,039	110	35,927
Excess (deficiency) of total additions over total deductions	480	2,356	341	252	(110)	198
Cash and investment fund balance - beginning	4,032	3,911	(150)	(252)	200	13,413
Cash and investments - ending	<u>\$ 4,512</u>	<u>\$ 6,267</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 13,611</u>
Net assets:						
Cash and investments	<u>\$ 4,512</u>	<u>\$ 6,267</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 13,611</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,512</u>	<u>\$ 6,267</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 13,611</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended June 30, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 972,500
Buildings	49,590,577
Machinery and equipment	<u>2,103,550</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 52,666,627</u>

SCOTT COUNTY SCHOOL DISTRICT 1
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Scott county school building corporation	\$ 5,860,000	\$ 525,000
Notes and loans payable:		
Veterans memorial	85,000	20,850
Common school fund loans	6,739,473	714,398
Guaranteed energy savings	250,269	61,984
Bonds payable:		
General obligation bonds:		
Retirement/severance liability funding bonds of 2004	<u>1,560,000</u>	<u>159,430</u>
Total governmental activities debt	<u>\$ 14,494,742</u>	<u>\$ 1,481,662</u>

SCOTT COUNTY SCHOOL DISTRICT 1
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

Records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Transportation Operating	2008	\$ 53,315
Special Education Preschool	2009	91,328

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

Similar comments were included in prior Reports B30029 and B34509.

OVERDRAWN CASH BALANCES

The following funds had overdrawn cash balances as of June 30, 2009 and June 30, 2010:

<u>Fund</u>	<u>2009</u>	<u>2010</u>
Transportation Operating	\$ -	\$ 64,649
Special Education Preschool	23,962	37
Textbook Rental	100,728	112,542
Retirement Bond	2,442	-
Candy Factory Austin Middle School	150	-
We Care	252	-
Community Foundation Grants	-	121
Totals	\$ 127,534	\$ 177,349

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

Similar comments were included in prior Reports B30029 and B34509.

SCOTT COUNTY SCHOOL DISTRICT 1
AUDIT RESULTS AND COMMENTS
(Continued)

TEXTBOOK RENTAL CHARGES

The School Corporation, in some cases, is charging more for textbook rental than twenty-five percent of the textbook cost.

IC 20-26-12-2 states:

"(a) A governing body may purchase from a contracting publisher, at a price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or nonpublic school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the rental price of the textbooks.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been:

- (1) adopted for usage by students under IC 20-20-5;
- (2) extended for usage by students under IC 20-20-5-2; and
- (3) paid for through rental fees previously collected.

(c) This section does not limit other laws."

Similar comments were included in prior Reports B25057, B30029, and B34509.

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

Compliance

We have audited the compliance of the Scott County School District 1 (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 15, 2011

SCOTT COUNTY SCHOOL DISTRICT 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553		\$ 125,837	\$ -
		08-7230 09-7230	-	127,421
			<u>125,837</u>	<u>127,421</u>
Total for program				
			<u>125,837</u>	<u>127,421</u>
National School Lunch Program				
	10.555		382,409	-
		08-7230 09-7230	-	411,044
			<u>382,409</u>	<u>411,044</u>
Total for program				
			<u>382,409</u>	<u>411,044</u>
Summer Food Service Program for Children				
	10.559		19,733	-
		08-7230 09-7230	-	22,310
			<u>19,733</u>	<u>22,310</u>
Total for program				
			<u>19,733</u>	<u>22,310</u>
Total for cluster				
			<u>527,979</u>	<u>560,775</u>
Total for federal grantor agency				
			<u>527,979</u>	<u>560,775</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010		217,242	-
		08-7230 09-7230 10-7230	325,306	143,187
			-	460,237
			<u>542,548</u>	<u>603,424</u>
Total for program				
			<u>542,548</u>	<u>603,424</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
	84.389		23,613	115,895
		10-7230	<u>23,613</u>	<u>115,895</u>
Total for program				
			<u>23,613</u>	<u>115,895</u>
Total for cluster				
			<u>566,161</u>	<u>719,319</u>
Educational Technology State Grants Cluster				
Educational Technology State Grants				
	84.318		50,620	-
			<u>50,620</u>	<u>-</u>
Total for cluster				
			<u>50,620</u>	<u>-</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
FY 2008-09		09-7230	-	848,653
FY 2009-10		10-7230	-	284,423
Total for program			-	1,133,076
Total for cluster			-	1,133,076
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 2007-08		7230-06	4,854	-
FY 2008-09		7230-07	2,000	-
FY 2008-09		08-7230	6,456	-
FY 2009-10		09-7230	-	4,021
Total for program			13,310	4,021
Twenty-First Century Community Learning Centers	84.287			
06-01-07 through 05-31-10			159,237	-
06-01-09 through 09-30-10			-	140,731
Total for program			159,237	140,731
State Grants for Innovative Programs Supplemental FY07 Award	84.298			
Total for program			-	1,021
Rural Education	84.358			
07-01-07 through 09-30-09			43,993	-
07-01-09 through 09-30-11			-	37,579
Total for program			43,993	37,579
English Language Acquisition Grants	84.365			
FY 2007-08			-	368
Total for program			-	368
Improving Teacher Quality State Grants	84.367			
FY 2007-08		06-7230	13,902	-
FY 2008-09		07-7230	115,587	-
FY 2008-09		08-7230	-	116,140
Total for program			129,489	116,140
Total for federal grantor agency			962,810	2,152,255
Total federal awards expended			<u>\$ 1,490,789</u>	<u>\$ 2,713,030</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1
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 Scott County School District 1 (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	\$ 30,096	\$ 30,815

SCOTT COUNTY SCHOOL DISTRICT 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SCOTT COUNTY SCHOOL DISTRICT 1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SCOTT COUNTY SCHOOL DISTRICT 1
EXIT CONFERENCE

The contents of this report were discussed on February 15, 2011, with Berley Goodin, Superintendent of Schools; Dr. Kenneth Kidd, Assistant Superintendent of Schools/Business Manager; Kathie E. Bowling, Treasurer; and Darlene Hall, President of the School Board. The officials concurred with our audit findings.