

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

AUDIT REPORT
OF

SOUTHWESTERN JEFFERSON COUNTY
CONSOLIDATED SCHOOL CORPORATION
JEFFERSON COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED
03/07/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Laura Boldery	07-01-08 to 06-30-11
Superintendent of Schools	Steve Telfer	07-01-08 to 06-30-11
President of the School Board	Teresa Scrogam Cree Green	01-01-08 to 12-31-08 01-01-09 to 12-31-11



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

TO: THE OFFICIALS OF THE SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED
SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 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 14, 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 SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED
SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southwestern Jefferson County Consolidated School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 14, 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, Board of School Trustees, 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 14, 2011

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 6,785,613	\$ -	\$ 181,155	\$ (6,604,458)
Support services	6,838,837	328,409	399,625	(6,110,803)
Noninstructional services	880,579	-	-	(880,579)
Facilities acquisition and construction	1,543,322	-	-	(1,543,322)
Debt service	1,002,339	-	-	(1,002,339)
Nonprogrammed charges	668,187	-	-	(668,187)
Total governmental activities	<u>\$ 17,718,877</u>	<u>\$ 328,409</u>	<u>\$ 580,780</u>	<u>(16,809,688)</u>
General receipts:				
Property taxes				4,464,945
Other local sources				936,326
State aid				7,573,213
Bonds and loans				431,809
Grants and contributions not restricted to specific programs				1,521,555
Investment earnings				51,209
Total general receipts				<u>14,979,057</u>
Change in net assets				(1,830,631)
Net assets - beginning				<u>5,011,689</u>
Net assets - ending				<u>\$ 3,181,058</u>
<u>Assets</u>				
Cash and investments				\$ 3,053,550
Restricted assets:				
Cash and investments				55,188
Cash with fiscal agent				72,320
Total assets				<u>\$ 3,181,058</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 55,188
Other purposes				72,320
Unrestricted				<u>3,053,550</u>
Total net assets				<u>\$ 3,181,058</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,076,731	\$ -	\$ 154,568	\$ (6,922,163)
Support services	4,739,714	332,148	438,784	(3,968,782)
Noninstructional services	773,884	-	-	(773,884)
Facilities acquisition and construction	1,094,977	-	-	(1,094,977)
Debt service	1,015,762	-	-	(1,015,762)
Nonprogrammed charges	832,685	-	-	(832,685)
Total governmental activities	\$ 15,533,753	\$ 332,148	\$ 593,352	(14,608,253)
General receipts:				
Property taxes				4,124,743
Other local sources				703,698
State aid				9,390,997
Bonds and loans				349,464
Grants and contributions not restricted to specific programs				966,176
Investment earnings				9,737
Total general receipts				15,544,815
Change in net assets				936,562
Net assets - beginning				3,181,058
Net assets - ending				\$ 4,117,620
<u>Assets</u>				
Cash and investments				\$ 3,461,110
Restricted assets:				
Cash and investments				584,180
Cash with fiscal agent				72,330
Total assets				\$ 4,117,620
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 584,180
Other purposes				72,330
Unrestricted				3,461,110
Total net assets				\$ 4,117,620

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

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

	General	Transportation Operating	Fiscal Stabilization - Education (Stimulus)	Capital Projects	Debt Service	School Bus Replacement	Energy Savings Project	Other	Totals
Receipts:									
Local sources	\$ 2,191,236	\$ 1,120,888	\$ -	\$ 1,140,498	\$ 342,854	\$ 104,901	\$ 4,714	\$ 670,128	\$ 5,575,219
State sources	7,761,810	-	-	-	-	-	-	149,477	7,911,287
Federal sources	-	-	805,779	-	-	-	-	919,933	1,725,712
Temporary loans	-	431,809	-	-	-	-	-	-	431,809
Interfund loans	-	-	-	-	-	164,116	-	77,781	241,897
Other	-	-	-	205,189	-	-	-	39,030	244,219
Total receipts	9,953,046	1,552,697	805,779	1,345,687	342,854	269,017	4,714	1,856,349	16,130,143
Disbursements:									
Current:									
Instruction	6,425,826	-	4,684	-	-	-	-	355,103	6,785,613
Support services	2,652,805	1,081,251	1,414	522,443	-	202,989	1,959,261	418,674	6,838,837
Noninstructional services	89,583	-	-	153,592	-	-	-	637,404	880,579
Facilities acquisition and construction	-	-	-	1,539,432	-	-	-	3,890	1,543,322
Debt services	-	418,522	-	-	430,840	-	-	152,977	1,002,339
Nonprogrammed charges	543,020	-	70,167	-	-	-	-	55,000	668,187
Interfund loans	-	-	-	-	-	-	-	241,897	241,897
Total disbursements	9,711,234	1,499,773	76,265	2,215,467	430,840	202,989	1,959,261	1,864,945	17,960,774
Excess (deficiency) of receipts over disbursements	241,812	52,924	729,514	(869,780)	(87,986)	66,028	(1,954,547)	(8,596)	(1,830,631)
Other financing sources (uses):									
Transfers in	5,307	-	-	-	-	-	-	59,135	64,442
Transfers out	(17,486)	-	-	-	-	-	-	(46,956)	(64,442)
Total other financing sources (uses)	(12,179)	-	-	-	-	-	-	12,179	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	229,633	52,924	729,514	(869,780)	(87,986)	66,028	(1,954,547)	3,583	(1,830,631)
Cash and investments - beginning	1,035,017	21,802	-	970,541	143,174	(66,028)	2,026,867	880,316	5,011,689
Cash and investments - ending	\$ 1,264,650	\$ 74,726	\$ 729,514	\$ 100,761	\$ 55,188	\$ -	\$ 72,320	\$ 883,899	\$ 3,181,058
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,264,650	\$ 74,726	\$ 729,514	\$ 100,761	\$ -	\$ -	\$ -	\$ 883,899	\$ 3,053,550
Restricted assets:									
Cash and investments	-	-	-	-	55,188	-	-	-	55,188
Cash with fiscal agent	-	-	-	-	-	-	72,320	-	72,320
Total cash and investment assets - ending	\$ 1,264,650	\$ 74,726	\$ 729,514	\$ 100,761	\$ 55,188	\$ -	\$ 72,320	\$ 883,899	\$ 3,181,058
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 55,188	\$ -	\$ -	\$ -	\$ 55,188
Other purposes	-	-	-	-	-	-	72,320	-	72,320
Unrestricted	1,264,650	74,726	729,514	100,761	-	-	-	883,899	3,053,550
Total cash and investment fund balance - ending	\$ 1,264,650	\$ 74,726	\$ 729,514	\$ 100,761	\$ 55,188	\$ -	\$ 72,320	\$ 883,899	\$ 3,181,058

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

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

	General	Transportation Operating	Fiscal Stabilization - Education (Stimulus)	Capital Projects	Debt Service	School Bus Replacement	Energy Savings Project	Other	Totals
Receipts:									
Local sources	\$ 114,445	\$ 1,788,427	\$ -	\$ 1,524,181	\$ 705,363	\$ 305,136	\$ 10	\$ 677,386	\$ 5,114,948
State sources	9,518,522	-	-	-	-	-	-	113,582	9,632,104
Federal sources	98	-	275,212	-	-	-	-	1,002,240	1,277,550
Temporary loans	-	349,464	-	-	-	-	-	-	349,464
Interfund loans	-	-	-	-	-	-	-	241,897	241,897
Other	-	2,611	-	34,314	-	-	-	59,324	96,249
Total receipts	9,633,065	2,140,502	275,212	1,558,495	705,363	305,136	10	2,094,429	16,712,212
Disbursements:									
Current:									
Instruction	6,433,592	-	65,211	-	-	-	-	577,928	7,076,731
Support services	2,564,519	1,073,938	226,916	337,671	-	191,840	-	344,830	4,739,714
Noninstructional services	100,403	-	-	34,314	-	-	-	639,167	773,884
Facilities acquisition and construction	-	-	-	1,091,882	-	-	-	3,095	1,094,977
Debt services	-	391,148	-	-	470,359	-	-	154,255	1,015,762
Nonprogrammed charges	91,649	-	712,599	-	-	-	-	28,437	832,685
Interfund loans	-	-	-	-	-	164,116	-	77,781	241,897
Total disbursements	9,190,163	1,465,086	1,004,726	1,463,867	470,359	355,956	-	1,825,493	15,775,650
Excess (deficiency) of receipts over disbursements	442,902	675,416	(729,514)	94,628	235,004	(50,820)	10	268,936	936,562
Other financing sources (uses):									
Transfers in	43,429	-	-	-	-	-	-	336,578	380,007
Transfers out	(258,920)	-	-	(63)	-	-	-	(121,024)	(380,007)
Total other financing sources (uses)	(215,491)	-	-	(63)	-	-	-	215,554	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	227,411	675,416	(729,514)	94,565	235,004	(50,820)	10	484,490	936,562
Cash and investments - beginning	1,264,650	74,726	729,514	100,761	55,188	-	72,320	883,899	3,181,058
Cash and investments - ending	\$ 1,492,061	\$ 750,142	\$ -	\$ 195,326	\$ 290,192	\$ (50,820)	\$ 72,330	\$ 1,368,389	\$ 4,117,620
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,492,061	\$ 750,142	\$ -	\$ 195,326	\$ -	\$ (50,820)	\$ -	\$ 1,074,401	\$ 3,461,110
Restricted assets:									
Cash and investments	-	-	-	-	290,192	-	-	293,988	584,180
Cash with fiscal agent	-	-	-	-	-	-	72,330	-	72,330
Total cash and investment assets - ending	\$ 1,492,061	\$ 750,142	\$ -	\$ 195,326	\$ 290,192	\$ (50,820)	\$ 72,330	\$ 1,368,389	\$ 4,117,620
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 290,192	\$ -	\$ -	\$ 293,988	\$ 584,180
Other purposes	-	-	-	-	-	-	72,330	-	72,330
Unrestricted	1,492,061	750,142	-	195,326	-	(50,820)	-	1,074,401	3,461,110
Total cash and investment fund balance - ending	\$ 1,492,061	\$ 750,142	\$ -	\$ 195,326	\$ 290,192	\$ (50,820)	\$ 72,330	\$ 1,368,389	\$ 4,117,620

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ 258	\$ 47,663
Deductions:		
Benefits	35,253	-
Administrative and general	<u>-</u>	<u>38,285</u>
Total deductions	<u>35,253</u>	<u>38,285</u>
Excess (deficiency) of total additions over total deductions	(34,995)	9,378
Cash and investment fund balance - beginning	<u>35,869</u>	<u>26,708</u>
Cash and investment fund balance - ending	<u>\$ 874</u>	<u>\$ 36,086</u>
Net assets:		
Cash and investments	<u>\$ 874</u>	<u>\$ 36,086</u>
Total net assets - cash and investment basis held in trust	<u>\$ 874</u>	<u>\$ 36,086</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
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
Additions:		
Contributions:		
Other	\$ 5,789	\$ 26,614
Deductions:		
Benefits	55,663	-
Administrative and general	-	19,314
Total deductions	55,663	19,314
Excess (deficiency) of total additions over total deductions	(49,874)	7,300
Cash and investment fund balance - beginning	874	36,086
Cash and investment fund balance - ending	\$ (49,000)	\$ 43,386
Net assets:		
Cash and investments	\$ (49,000)	\$ 43,386
Total net assets - cash and investment basis held in trust	\$ (49,000)	\$ 43,386

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Southwestern Jefferson County Consolidated School Corporation

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

Joint Venture

The School Corporation is a participant in a joint venture to operate Madison Area Educational Special Services Unit (Special Services Unit) which was created to provide special education services to handicapped children. The School Corporation is obligated by contract to pay an amount based on a formula by the Board of Directors of the joint venture. For the school year ended June 30, 2010, the School Corporation remitted \$533,089 to the Special Services Unit. Complete financial statements for the Special Services Unit can be obtained from Special Services Unit's Administration Office in Madison, Indiana.

The School Corporation is a participant in a joint venture to operate Southeastern Career Center (Career Center) which was created to provide vocational educational services. The School Corporation is obligated by contract to pay an amount based on a formula by the Board of Directors of the joint venture. For the school year ended June 30, 2010, the School Corporation remitted \$205,924 to the Career Center. Complete financial statements for the Career Center can be obtained from the Career Center's administrative office in Versailles, Indiana.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, at this time, the School Corporation has no business-type activities.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The fiscal stabilization - education (stimulus) fund accounts for ARRA stimulus monies received from the federal government to be used for general school purposes.

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

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

The energy savings project fund is used to account for disbursements for a guaranteed energy savings project at the middle/high school from loan proceeds.

Additionally, the School Corporation reports the following fund types:

The pension trust fund account for the activities of the retirement/severance bond fund, which accumulate resources for payments to employees on or after the termination of employment or to pay postretirement or severance benefits held by the school corporation in a trustee capacity.

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

C. Measurement Focus and Basis of Accounting

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

4. Capital Assets

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

G. Rounding Differences

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash Balance Deficits

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

Fund	2010
School Bus Replacement	\$ 50,820
Retirement/Severance Bond	49,000

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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

Fund	2010
Title I 2009-2010	\$ 8,216
Title II Part A #09-4000	1,493
Special Ed	10,109
Target Donation Albertson	131

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

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 \$4,770,119.

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

As of June 30, 2010, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Mutual funds	\$ <u>72,330</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

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

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

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ 17,486	\$ 258,920
Capital Projects Fund	Other Governmental Funds	-	63
Other Governmental Funds	General Fund	5,307	43,429
Other Governmental Funds	Other Governmental Funds	41,649	77,595
Totals		<u>\$ 64,442</u>	<u>\$ 380,007</u>

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

On February 22, 2010, the School Corporation offered a retirement incentive to eligible teachers to retire at the end of the 2009-2010 school year. Seven teachers accepted the proposal of receiving \$7,000 for five years to be deposited into either their Voluntary Employee Beneficiary Association (VEBA) account or their 403(b) plan. To meet this obligation \$245,000 was transferred from the General Fund to the Retirement Bond Fund.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

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 Southwestern Jefferson County 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 \$155,500 and \$154,500, respectively.

C. Termination Benefits

On February 22, 2010, the Board of Trustees approved to pay a one-time retirement incentive payment for retiring certified staff to retire at the end of the 2009-2010 school year if they meet the following eligibility requirements. The retiring teacher must be: (a) At least 55 years of age with 12 years of service with the School Corporation; or (b) At least 50 years of age with 25 years of service with the School Corporation; or (c) Have at least 12 years of service with the School Corporation and be receiving payments for long-term disability from the long-term disability insurance carrier. The School Corporation will deposit the sum of \$7,000 per year for 5 years into the retiring teacher's VEBA (Voluntary Employee Beneficiary Association) account. If the teacher receiving the retirement incentive qualifies for Medicare at employment termination, the retirement incentive will be contributed to a 403 (b) plan on behalf of the teacher. These annual deposits will be made by July 1 of each year. Seven retiring teachers accepted this benefit.

On June 26, 2006, the Board of Trustees approved a retirement benefit package for the Superintendent, Principals, Assistant Principals, Athletic Director, and Assistant to the Superintendent effective July 1, 2006. These stated positions will receive \$2,000 times the number of full-completed consecutive years of employment accumulated at the School Corporation upon employee's retirement from Indiana State Teachers Retirement Fund or Public Employees Retirement Fund or upon the death of an active employee. A maximum of \$25,000 per year will be paid until employee or employee's beneficiary has received the total accumulated payment. Upon retirement from the School Corporation the stated employee must be at least 55 years of age and must have 5 full-completed years of consecutive service with the School Corporation.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Other Postemployment Benefits

Defined Contribution Healthcare Plan

Plan Description

Anthem Blue Access (PPO) Healthcare Plan is a defined contribution healthcare plan administered by Hoosier Heartland School Trust. The plan provides medical insurance benefits to eligible retirees and their spouses. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the School Corporation.

Funding Policy

The contribution requirements of plan members for the Anthem Blue Access (PPO) Healthcare Plan are established by the School Corporation's governing board. The required contribution is Retirees are required to pay any portion of the insurance premium that is over \$2,100. For the year ended June 30, 2010, the School Corporation contributed \$6,300 to the plan.

E. 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 \$226,037.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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

The School Corporation's contributions to the plan during the period were \$334,800.

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

	Special Education Preschool	Local Rainy Day	School Lunch	Textbook Rental	Levy Excess	Education License Plates	School Safe Haven
Receipts:							
Local sources	\$ 7,111	\$ -	\$ 312,781	\$ 128,445	\$ 91,925	\$ 375	\$ -
State sources	52,111	-	7,137	52,459	-	-	2,302
Federal sources	-	-	339,129	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	1,874	-	-	-
Total receipts	<u>59,222</u>	<u>-</u>	<u>659,047</u>	<u>182,778</u>	<u>91,925</u>	<u>375</u>	<u>2,302</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	2,325
Support services	-	-	-	154,442	-	-	-
Noninstructional services	-	-	619,311	-	-	-	-
Facilities acquisition and construction	-	-	3,890	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	55,000	-	-	-	-	-	-
Interfund loans	-	241,897	-	-	-	-	-
Total disbursements	<u>55,000</u>	<u>241,897</u>	<u>623,201</u>	<u>154,442</u>	<u>-</u>	<u>-</u>	<u>2,325</u>
Excess (deficiency) of receipts over disbursements	<u>4,222</u>	<u>(241,897)</u>	<u>35,846</u>	<u>28,336</u>	<u>91,925</u>	<u>375</u>	<u>(23)</u>
Other financing sources (uses):							
Transfers in	-	-	-	10,000	-	-	23
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>23</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,222	(241,897)	35,846	38,336	91,925	375	-
Cash and investments - beginning	<u>25,522</u>	<u>300,000</u>	<u>176,248</u>	<u>6,536</u>	<u>-</u>	<u>4,545</u>	<u>-</u>
Cash and investments - ending	<u>\$ 29,744</u>	<u>\$ 58,103</u>	<u>\$ 212,094</u>	<u>\$ 44,872</u>	<u>\$ 91,925</u>	<u>\$ 4,920</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 29,744</u>	<u>\$ 58,103</u>	<u>\$ 212,094</u>	<u>\$ 44,872</u>	<u>\$ 91,925</u>	<u>\$ 4,920</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 29,744</u>	<u>\$ 58,103</u>	<u>\$ 212,094</u>	<u>\$ 44,872</u>	<u>\$ 91,925</u>	<u>\$ 4,920</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 29,744</u>	<u>\$ 58,103</u>	<u>\$ 212,094</u>	<u>\$ 44,872</u>	<u>\$ 91,925</u>	<u>\$ 4,920</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 29,744</u>	<u>\$ 58,103</u>	<u>\$ 212,094</u>	<u>\$ 44,872</u>	<u>\$ 91,925</u>	<u>\$ 4,920</u>	<u>\$ -</u>

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

	Gifted and Talented	Instructional Support	Medicare Reimbursement	School Technology	Buddy WHEEL!	Performance Based Awards
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	31,493	150	900	-	425	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	31,493	150	900	-	425	-
Disbursements:						
Current:						
Instruction	16,853	-	-	1,170	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	16,853	-	-	1,170	-	-
Excess (deficiency) of receipts over disbursements	14,640	150	900	(1,170)	425	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,640	150	900	(1,170)	425	-
Cash and investments - beginning	16,119	150	732	1,596	-	985
Cash and investments - ending	<u>\$ 30,759</u>	<u>\$ 300</u>	<u>\$ 1,632</u>	<u>\$ 426</u>	<u>\$ 425</u>	<u>\$ 985</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 30,759	\$ 300	\$ 1,632	\$ 426	\$ 425	\$ 985
Total cash and investment assets - ending	<u>\$ 30,759</u>	<u>\$ 300</u>	<u>\$ 1,632</u>	<u>\$ 426</u>	<u>\$ 425</u>	<u>\$ 985</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 30,759	\$ 300	\$ 1,632	\$ 426	\$ 425	\$ 985
Total cash and investment fund balance - ending	<u>\$ 30,759</u>	<u>\$ 300</u>	<u>\$ 1,632</u>	<u>\$ 426</u>	<u>\$ 425</u>	<u>\$ 985</u>

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

	Access Indiana	Title I Improvement	PL 107-110 Title I	Part A Title V 2007-2008	Safe and Drug Free Schools	Medicaid Reimbursement Federal
Receipts:						
Local sources	\$ -	\$ -	\$ 6,267	\$ -	\$ -	\$ -
State sources	2,500	-	-	-	-	-
Federal sources	-	-	386,656	-	5,317	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	2,500	-	392,923	-	5,317	-
Disbursements:						
Current:						
Instruction	1,808	-	288,107	-	-	-
Support services	-	4,210	57,814	7,453	3,716	-
Noninstructional services	-	-	868	-	2,879	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	1,808	4,210	346,789	7,453	6,595	-
Excess (deficiency) of receipts over disbursements	692	(4,210)	46,134	(7,453)	(1,278)	-
Other financing sources (uses):						
Transfers in	-	1,800	22,158	-	-	-
Transfers out	-	(22,158)	(1,800)	-	-	-
Total other financing sources (uses)	-	(20,358)	20,358	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	692	(24,568)	66,492	(7,453)	(1,278)	-
Cash and investments - beginning	-	24,568	72,485	27,920	4,541	2,921
Cash and investments - ending	\$ 692	\$ -	\$ 138,977	\$ 20,467	\$ 3,263	\$ 2,921
Cash and Investment Assets - Ending						
Cash and investments	\$ 692	\$ -	\$ 138,977	\$ 20,467	\$ 3,263	\$ 2,921
Total cash and investment assets - ending	\$ 692	\$ -	\$ 138,977	\$ 20,467	\$ 3,263	\$ 2,921
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 692	\$ -	\$ 138,977	\$ 20,467	\$ 3,263	\$ 2,921
Total cash and investment fund balance - ending	\$ 692	\$ -	\$ 138,977	\$ 20,467	\$ 3,263	\$ 2,921

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

	School Technology Grant	Title II Part A	Title II Part D Technology 2008-2009	Title II Part B Math and Science	Retirement Bond	Recycling Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 121,224	\$ 2,000
State sources	-	-	-	-	-	-
Federal sources	-	-	188,831	-	-	-
Interfund loans	-	-	-	-	77,781	-
Other	-	-	-	-	-	-
Total receipts	-	-	188,831	-	199,005	2,000
Disbursements:						
Current:						
Instruction	-	32,456	-	12,384	-	-
Support services	-	15,873	175,166	-	-	-
Noninstructional services	-	-	-	-	-	1,025
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	152,977	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	48,329	175,166	12,384	152,977	1,025
Excess (deficiency) of receipts over disbursements	-	(48,329)	13,665	(12,384)	46,028	975
Other financing sources (uses):						
Transfers in	-	6,694	-	17,691	-	-
Transfers out	-	(17,691)	-	(5,307)	-	-
Total other financing sources (uses)	-	(10,997)	-	12,384	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(59,326)	13,665	-	46,028	975
Cash and investments - beginning	607	59,326	-	-	(46,028)	4,185
Cash and investments - ending	<u>\$ 607</u>	<u>\$ -</u>	<u>\$ 13,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,160</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 607	\$ -	\$ 13,665	\$ -	\$ -	\$ 5,160
Total cash and investment assets - ending	<u>\$ 607</u>	<u>\$ -</u>	<u>\$ 13,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,160</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 607	\$ -	\$ 13,665	\$ -	\$ -	\$ 5,160
Total cash and investment fund balance - ending	<u>\$ 607</u>	<u>\$ -</u>	<u>\$ 13,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,160</u>

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

	Arvin Sango Donation - Ranklin	CAPE Grant	PSI Energy Savings	Construction Common School Jr. High	High School Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670,128
State sources	-	-	-	-	-	149,477
Federal sources	-	-	-	-	-	919,933
Interfund loans	-	-	-	-	-	77,781
Other	-	36,548	-	-	608	39,030
Total receipts	-	36,548	-	-	608	1,856,349
Disbursements:						
Current:						
Instruction	-	-	-	-	-	355,103
Support services	-	-	-	-	-	418,674
Noninstructional services	122	13,199	-	-	-	637,404
Facilities acquisition and construction	-	-	-	-	-	3,890
Debt services	-	-	-	-	-	152,977
Nonprogrammed charges	-	-	-	-	-	55,000
Interfund loans	-	-	-	-	-	241,897
Total disbursements	122	13,199	-	-	-	1,864,945
Excess (deficiency) of receipts over disbursements	(122)	23,349	-	-	608	(8,596)
Other financing sources (uses):						
Transfers in	-	769	-	-	-	59,135
Transfers out	-	-	-	-	-	(46,956)
Total other financing sources (uses)	-	769	-	-	-	12,179
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(122)	24,118	-	-	608	3,583
Cash and investments - beginning	122	(24,118)	75,897	26,407	119,050	880,316
Cash and investments - ending	\$ -	\$ -	\$ 75,897	\$ 26,407	\$ 119,658	\$ 883,899
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 75,897	\$ 26,407	\$ 119,658	\$ 883,899
Total cash and investment assets - ending	\$ -	\$ -	\$ 75,897	\$ 26,407	\$ 119,658	\$ 883,899
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ 75,897	\$ 26,407	\$ 119,658	\$ 883,899
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 75,897	\$ 26,407	\$ 119,658	\$ 883,899

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

	Special Education Preschool	Local Rainy Day	School Lunch	Textbook Rental	Levy Excess	Education License Plates	High Ability
Receipts:							
Local sources	\$ -	\$ -	\$ 296,611	\$ 102,606	\$ -	\$ 244	\$ -
State sources	27,500	-	6,827	48,365	-	-	30,890
Federal sources	-	-	383,593	-	-	-	-
Interfund loans	-	241,897	-	-	-	-	-
Other	-	-	-	1,764	-	-	-
Total receipts	27,500	241,897	687,031	152,735	-	244	30,890
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	17,254
Support services	-	-	-	146,710	-	-	-
Noninstructional services	-	-	633,896	-	-	-	-
Facilities acquisition and construction	-	-	3,095	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	27,500	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	27,500	-	636,991	146,710	-	-	17,254
Excess (deficiency) of receipts over disbursements	-	241,897	50,040	6,025	-	244	13,636
Other financing sources (uses):							
Transfers in	-	-	-	3,000	-	-	-
Transfers out	(29,744)	-	-	-	-	-	(13,636)
Total other financing sources (uses)	(29,744)	-	-	3,000	-	-	(13,636)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,744)	241,897	50,040	9,025	-	244	-
Cash and investments - beginning	29,744	58,103	212,094	44,872	91,925	4,920	-
Cash and investments - ending	\$ -	\$ 300,000	\$ 262,134	\$ 53,897	\$ 91,925	\$ 5,164	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 300,000	\$ 262,134	\$ 53,897	\$ 91,925	\$ 5,164	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 300,000	\$ 262,134	\$ 53,897	\$ 91,925	\$ 5,164	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	300,000	262,134	53,897	91,925	5,164	-
Total cash and investment fund balance - ending	\$ -	\$ 300,000	\$ 262,134	\$ 53,897	\$ 91,925	\$ 5,164	\$ -

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

	Gifted and Talented	Tech Prep	Instructional Support	Medicare Reimbursement	School Technology	Buddy WHEEL!	Performance Based Awards
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	3,850	-	-	-	-	-
Total receipts	-	3,850	-	-	-	-	-
Disbursements:							
Current:							
Instruction	30,710	-	-	-	1,033	256	-
Support services	-	3,306	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	30,710	3,306	-	-	1,033	256	-
Excess (deficiency) of receipts over disbursements	(30,710)	544	-	-	(1,033)	(256)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	607	-	-
Transfers out	(49)	(544)	-	-	-	-	-
Total other financing sources (uses)	(49)	(544)	-	-	607	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(30,759)	-	-	-	(426)	(256)	-
Cash and investments - beginning	30,759	-	300	1,632	426	425	985
Cash and investments - ending	\$ -	\$ -	\$ 300	\$ 1,632	\$ -	\$ 169	\$ 985
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 300	\$ 1,632	\$ -	\$ 169	\$ 985
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 300	\$ 1,632	\$ -	\$ 169	\$ 985
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	300	1,632	-	169	985
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 300	\$ 1,632	\$ -	\$ 169	\$ 985

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

	Access Indiana	Title I Improvement	Title I 2009-2010	PL 107-110 Title I	Part A Title V 2007-2008	Part A Title V 2009-2010
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	244,908	-	-	934
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	244,908	-	-	934
Disbursements:						
Current:						
Instruction	-	-	272,797	101,880	-	-
Support services	-	74	14,003	2,041	-	14,954
Noninstructional services	-	343	26	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	937	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	417	287,763	103,921	-	14,954
Excess (deficiency) of receipts over disbursements	-	(417)	(42,855)	(103,921)	-	(14,020)
Other financing sources (uses):						
Transfers in	-	417	34,639	-	-	30,467
Transfers out	-	-	-	(35,056)	(20,467)	-
Total other financing sources (uses)	-	417	34,639	(35,056)	(20,467)	30,467
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(8,216)	(138,977)	(20,467)	16,447
Cash and investments - beginning	692	-	-	138,977	20,467	-
Cash and investments - ending	<u>\$ 692</u>	<u>\$ -</u>	<u>\$ (8,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,447</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 692	\$ -	\$ (8,216)	\$ -	\$ -	\$ 16,447
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 692</u>	<u>\$ -</u>	<u>\$ (8,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,447</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	692	-	(8,216)	-	-	16,447
Total cash and investment fund balance - ending	<u>\$ 692</u>	<u>\$ -</u>	<u>\$ (8,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,447</u>

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

	Safe and Drug Free Schools	Medicaid Reimbursement Federal	School Technology Grant	Title II Part A	Title II Part A #08-4000	Title II Part A #09-4000
Receipts:						
Local sources	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	6,537	-	-	-	57,989	30,000
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
	7,237	-	-	-	57,989	30,000
Total receipts						
Disbursements:						
Current:						
Instruction	-	-	-	6,709	17,964	25,774
Support services	1,585	-	607	1,940	5,082	5,719
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
	1,585	-	607	8,649	23,046	31,493
Total disbursements						
Excess (deficiency) of receipts over disbursements	5,652	-	(607)	(8,649)	34,943	(1,493)
Other financing sources (uses):						
Transfers in	10,000	-	-	8,649	-	-
Transfers out	-	-	-	-	(21,528)	-
	10,000	-	-	8,649	(21,528)	-
Total other financing sources (uses)						
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,652	-	(607)	-	13,415	(1,493)
Cash and investments - beginning	3,263	2,921	607	-	-	-
Cash and investments - ending	\$ 18,915	\$ 2,921	\$ -	\$ -	\$ 13,415	\$ (1,493)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 18,915	\$ 2,921	\$ -	\$ -	\$ 13,415	\$ (1,493)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 18,915	\$ 2,921	\$ -	\$ -	\$ 13,415	\$ (1,493)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	18,915	2,921	-	-	13,415	(1,493)
Total cash and investment fund balance - ending	\$ 18,915	\$ 2,921	\$ -	\$ -	\$ 13,415	\$ (1,493)

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

	Title II Part D Technology 2008-2009	Title II Part D Technology 2009-2010	Title I Grants (Stimulus)	Special Ed	Education Technology (Stimulus)	Retirement Bond
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277,225
State sources	-	-	-	-	-	-
Federal sources	-	34,023	117,997	-	126,259	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	12,839	-	-
Total receipts	-	34,023	117,997	12,839	126,259	277,225
Disbursements:						
Current:						
Instruction	-	-	74,252	-	-	-
Support services	3,097	14,223	2,087	22,948	86,347	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	154,255
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	77,781
Total disbursements	3,097	14,223	76,339	22,948	86,347	232,036
Excess (deficiency) of receipts over disbursements	(3,097)	19,800	41,658	(10,109)	39,912	45,189
Other financing sources (uses):						
Transfers in	-	-	-	-	-	248,799
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	248,799
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,097)	19,800	41,658	(10,109)	39,912	293,988
Cash and investments - beginning	13,665	-	-	-	-	-
Cash and investments - ending	<u>\$ 10,568</u>	<u>\$ 19,800</u>	<u>\$ 41,658</u>	<u>\$ (10,109)</u>	<u>\$ 39,912</u>	<u>\$ 293,988</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 10,568	\$ 19,800	\$ 41,658	\$ (10,109)	\$ 39,912	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	293,988
Total cash and investment assets - ending	<u>\$ 10,568</u>	<u>\$ 19,800</u>	<u>\$ 41,658</u>	<u>\$ (10,109)</u>	<u>\$ 39,912</u>	<u>\$ 293,988</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,988
Unrestricted	<u>10,568</u>	<u>19,800</u>	<u>41,658</u>	<u>(10,109)</u>	<u>39,912</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 10,568</u>	<u>\$ 19,800</u>	<u>\$ 41,658</u>	<u>\$ (10,109)</u>	<u>\$ 39,912</u>	<u>\$ 293,988</u>

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

	Recycling Grant	CAPE Grant	PSI Energy Savings	Construction Common School Jr. High	High School Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 677,386
State sources	-	-	-	-	-	113,582
Federal sources	-	-	-	-	-	1,002,240
Interfund loans	-	-	-	-	-	241,897
Other	-	40,871	-	-	-	59,324
Total receipts	-	40,871	-	-	-	2,094,429
Disbursements:						
Current:						
Instruction	-	29,299	-	-	-	577,928
Support services	-	4,138	15,969	-	-	344,830
Noninstructional services	4,902	-	-	-	-	639,167
Facilities acquisition and construction	-	-	-	-	-	3,095
Debt services	-	-	-	-	-	154,255
Nonprogrammed charges	-	-	-	-	-	28,437
Interfund loans	-	-	-	-	-	77,781
Total disbursements	4,902	33,437	15,969	-	-	1,825,493
Excess (deficiency) of receipts over disbursements	(4,902)	7,434	(15,969)	-	-	268,936
Other financing sources (uses):						
Transfers in	-	-	-	-	-	336,578
Transfers out	-	-	-	-	-	(121,024)
Total other financing sources (uses)	-	-	-	-	-	215,554
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,902)	7,434	(15,969)	-	-	484,490
Cash and investments - beginning	5,160	-	75,897	26,407	119,658	883,899
Cash and investments - ending	<u>\$ 258</u>	<u>\$ 7,434</u>	<u>\$ 59,928</u>	<u>\$ 26,407</u>	<u>\$ 119,658</u>	<u>\$ 1,368,389</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 258	\$ 7,434	\$ 59,928	\$ 26,407	\$ 119,658	\$ 1,074,401
Restricted assets:						
Cash and investments	-	-	-	-	-	293,988
Total cash and investment assets - ending	<u>\$ 258</u>	<u>\$ 7,434</u>	<u>\$ 59,928</u>	<u>\$ 26,407</u>	<u>\$ 119,658</u>	<u>\$ 1,368,389</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,988
Unrestricted	<u>258</u>	<u>7,434</u>	<u>59,928</u>	<u>26,407</u>	<u>119,658</u>	<u>1,074,401</u>
Total cash and investment fund balance - ending	<u>\$ 258</u>	<u>\$ 7,434</u>	<u>\$ 59,928</u>	<u>\$ 26,407</u>	<u>\$ 119,658</u>	<u>\$ 1,368,389</u>

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

	PSI Iota XI Sorority Music Gift	Donation Fund Various Awards	ISTEP	Desk Drawers Dollars Elementary	Special Vo-Ag Grounds Work	Youth Shelter - Yar Gift	WHAS Crusade for Children
Additions:							
Contributions:							
Other	\$ -	\$ 2,550	\$ -	\$ 611	\$ -	\$ -	\$ 5,706
Deductions:							
Administrative and general	-	248	-	114	-	-	5,706
Excess (deficiency) of total additions over total deductions	-	2,302	-	497	-	-	-
Cash and investment fund balance - beginning	150	820	300	3	676	104	473
Cash and investments - June 30	<u>\$ 150</u>	<u>\$ 3,122</u>	<u>\$ 300</u>	<u>\$ 500</u>	<u>\$ 676</u>	<u>\$ 104</u>	<u>\$ 473</u>
Net assets:							
Cash and investments	\$ 150	\$ 3,122	\$ 300	\$ 500	\$ 676	\$ 104	\$ 473
Total net assets - cash and investment basis held in trust	<u>\$ 150</u>	<u>\$ 3,122</u>	<u>\$ 300</u>	<u>\$ 500</u>	<u>\$ 676</u>	<u>\$ 104</u>	<u>\$ 473</u>

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

	Excess Section 125	Industrial Tech - Bottomley	IDEA Grant - 4 Community Project	Spirit's Fund Grant (Elem.)	Delbert King Foundation	Basketball/ Softball Donation	Coalition Substance Abuse
Additions: Contributions: Other	\$ -	\$ 500	\$ -	\$ -	\$ 1,400	\$ 1,000	\$ 500
Deductions: Administrative and general	-	496	-	-	1,430	-	746
Excess (deficiency) of total additions over total deductions	-	4	-	-	(30)	1,000	(246)
Cash and investment fund balance - beginning	15,518	47	35	300	1,500	3	2,000
Cash and investments - June 30	<u>\$ 15,518</u>	<u>\$ 51</u>	<u>\$ 35</u>	<u>\$ 300</u>	<u>\$ 1,470</u>	<u>\$ 1,003</u>	<u>\$ 1,754</u>
Net assets: Cash and investments	<u>\$ 15,518</u>	<u>\$ 51</u>	<u>\$ 35</u>	<u>\$ 300</u>	<u>\$ 1,470</u>	<u>\$ 1,003</u>	<u>\$ 1,754</u>
Total net assets - cash and investment basis held in trust	<u>\$ 15,518</u>	<u>\$ 51</u>	<u>\$ 35</u>	<u>\$ 300</u>	<u>\$ 1,470</u>	<u>\$ 1,003</u>	<u>\$ 1,754</u>

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

	<u>ECO 15 Project Lead the Way</u>	<u>Desk Drawers Dollars Middle/High</u>	<u>HS Media Arts Fees</u>	<u>Wal-Mart Special Ed Gift</u>	<u>Wal-Mart Foundation Wrestling</u>	<u>CPR Training Instruction</u>	<u>Extra- Curricular Athletic P.R.</u>
Additions:							
Contributions:							
Other	\$ 27,328	\$ 389	\$ -	\$ 1,000	\$ 250	\$ 1,034	\$ -
Deductions:							
Administrative and general	23,933	634	-	1,275	-	865	613
Excess (deficiency) of total additions over total deductions	3,395	(245)	-	(275)	250	169	(613)
Cash and investment fund balance - beginning	-	841	203	1,596	250	351	613
Cash and investments - June 30	<u>\$ 3,395</u>	<u>\$ 596</u>	<u>\$ 203</u>	<u>\$ 1,321</u>	<u>\$ 500</u>	<u>\$ 520</u>	<u>\$ -</u>
Net assets:							
Cash and investments	<u>\$ 3,395</u>	<u>\$ 596</u>	<u>\$ 203</u>	<u>\$ 1,321</u>	<u>\$ 500</u>	<u>\$ 520</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,395</u>	<u>\$ 596</u>	<u>\$ 203</u>	<u>\$ 1,321</u>	<u>\$ 500</u>	<u>\$ 520</u>	<u>\$ -</u>

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

	Special Ed Gifts	Shelter House 3rd Grade	Arts Council Grant 5th Grade Trips	Lily Award	6th Grade Museum Trip	Totals
Additions:						
Contributions:						
Other	\$ 500	\$ 1,000	\$ 800	\$ 2,795	\$ 300	\$ 47,663
Deductions:						
Administrative and general	42	1,210	673	-	300	38,285
Excess (deficiency) of total additions over total deductions	458	(210)	127	2,795	-	9,378
Cash and investment fund balance - beginning	-	925	-	-	-	26,708
Cash and investments - June 30	<u>\$ 458</u>	<u>\$ 715</u>	<u>\$ 127</u>	<u>\$ 2,795</u>	<u>\$ -</u>	<u>\$ 36,086</u>
Net assets:						
Cash and investments	<u>\$ 458</u>	<u>\$ 715</u>	<u>\$ 127</u>	<u>\$ 2,795</u>	<u>\$ -</u>	<u>\$ 36,086</u>
Total net assets - cash and investment basis held in trust	<u>\$ 458</u>	<u>\$ 715</u>	<u>\$ 127</u>	<u>\$ 2,795</u>	<u>\$ -</u>	<u>\$ 36,086</u>

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

	<u>Target Donation Albertson</u>	<u>PSI Iota XI Sorority Music Gift</u>	<u>Donation Fund Various Awards</u>	<u>ISTEP</u>	<u>Desk Drawers Dollars Elementary</u>	<u>Special Vo-Ag Grounds Work</u>
Additions:						
Contributions:						
Other	\$ 1,456	\$ 200	\$ -	\$ -	\$ -	\$ -
Deductions:						
Administrative and general	<u>1,587</u>	<u>-</u>	<u>2,825</u>	<u>-</u>	<u>373</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(131)	200	(2,825)	-	(373)	-
Cash and investment fund balance - beginning	<u>-</u>	<u>150</u>	<u>3,122</u>	<u>300</u>	<u>500</u>	<u>676</u>
Cash and investments - June 30	<u>\$ (131)</u>	<u>\$ 350</u>	<u>\$ 297</u>	<u>\$ 300</u>	<u>\$ 127</u>	<u>\$ 676</u>
Net assets:						
Cash and investments	<u>\$ (131)</u>	<u>\$ 350</u>	<u>\$ 297</u>	<u>\$ 300</u>	<u>\$ 127</u>	<u>\$ 676</u>
Total net assets - cash and investment basis held in trust	<u>\$ (131)</u>	<u>\$ 350</u>	<u>\$ 297</u>	<u>\$ 300</u>	<u>\$ 127</u>	<u>\$ 676</u>

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

	Youth Shelter - Yar Gift	WHAS Crusade for Children	Excess Section 125	Industrial Tech - Bottomley	IDEA Grant - 4 Community Project	Spirit's Fund Grant (Elem.)
Additions:						
Contributions:						
Other	\$ -	\$ 2,564	\$ 706	\$ 2,600	\$ -	\$ -
Deductions:						
Administrative and general	-	2,564	-	2,599	-	-
Excess (deficiency) of total additions over total deductions	-	-	706	1	-	-
Cash and investment fund balance - beginning	104	473	15,518	51	35	300
Cash and investments - June 30	<u>\$ 104</u>	<u>\$ 473</u>	<u>\$ 16,224</u>	<u>\$ 52</u>	<u>\$ 35</u>	<u>\$ 300</u>
Net assets:						
Cash and investments	<u>\$ 104</u>	<u>\$ 473</u>	<u>\$ 16,224</u>	<u>\$ 52</u>	<u>\$ 35</u>	<u>\$ 300</u>
Total net assets - cash and investment basis held in trust	<u>\$ 104</u>	<u>\$ 473</u>	<u>\$ 16,224</u>	<u>\$ 52</u>	<u>\$ 35</u>	<u>\$ 300</u>

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

	<u>Delbert King Foundation</u>	<u>7th Grade Youth as Resources</u>	<u>Basketball/ Softball Donation</u>	<u>Coalition Substance Abuse</u>	<u>ECO 15 Project Lead the Way</u>	<u>Desk Drawers Dollars Middle/High</u>
Additions:						
Contributions:						
Other	\$ -	\$ 225	\$ -	\$ 500	\$ 16,500	\$ 48
Deductions:						
Administrative and general	<u>950</u>	<u>220</u>	<u>-</u>	<u>500</u>	<u>3,536</u>	<u>644</u>
Excess (deficiency) of total additions over total deductions	(950)	5	-	-	12,964	(596)
Cash and investment fund balance - beginning	<u>1,470</u>	<u>-</u>	<u>1,003</u>	<u>1,754</u>	<u>3,395</u>	<u>596</u>
Cash and investments - June 30	<u>\$ 520</u>	<u>\$ 5</u>	<u>\$ 1,003</u>	<u>\$ 1,754</u>	<u>\$ 16,359</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 520</u>	<u>\$ 5</u>	<u>\$ 1,003</u>	<u>\$ 1,754</u>	<u>\$ 16,359</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 520</u>	<u>\$ 5</u>	<u>\$ 1,003</u>	<u>\$ 1,754</u>	<u>\$ 16,359</u>	<u>\$ -</u>

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

	<u>HS Media Arts Fees</u>	<u>Wal-Mart Special Ed Gift</u>	<u>Wal-Mart Foundation Wrestling</u>	<u>CPR Training Instruction</u>	<u>Extra- Curricular Athletic P.R.</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ 540	\$ 308
Deductions:					
Administrative and general	-	535	-	648	308
Excess (deficiency) of total additions over total deductions	-	(535)	-	(108)	-
Cash and investment fund balance - beginning	203	1,321	500	520	-
Cash and investments - June 30	<u>\$ 203</u>	<u>\$ 786</u>	<u>\$ 500</u>	<u>\$ 412</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 203</u>	<u>\$ 786</u>	<u>\$ 500</u>	<u>\$ 412</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 203</u>	<u>\$ 786</u>	<u>\$ 500</u>	<u>\$ 412</u>	<u>\$ -</u>

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

	Special Ed Gifts	Shelter House 3rd Grade	Arts Council Grant 5th Grade Trips	Lily Award	Totals
Additions:					
Contributions:					
Other	\$ 100	\$ -	\$ 867	\$ -	\$ 26,614
Deductions:					
Administrative and general	115	715	-	1,195	19,314
Excess (deficiency) of total additions over total deductions	(15)	(715)	867	(1,195)	7,300
Cash and investment fund balance - beginning	458	715	127	2,795	36,086
Cash and investments - June 30	<u>\$ 443</u>	<u>\$ -</u>	<u>\$ 994</u>	<u>\$ 1,600</u>	<u>\$ 43,386</u>
Net assets:					
Cash and investments	\$ 443	\$ -	\$ 994	\$ 1,600	\$ 43,386
Total net assets - cash and investment basis held in trust	<u>\$ 443</u>	<u>\$ -</u>	<u>\$ 994</u>	<u>\$ 1,600</u>	<u>\$ 43,386</u>

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 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	\$ 2,125
Buildings	15,714,828
Improvements other than buildings	4,147,706
Machinery and equipment	<u>2,567,512</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 22,432,171</u>

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Elementary school building	\$ 1,450,000	\$ 156,000
Notes and loans payable		
Common school fund loans	3,005,425	276,583
Guaranteed energy savings	2,965,346	440,067
Bonds payable:		
General obligation bonds:		
Pension bonds (retirement/severance)	<u>1,175,000</u>	<u>150,275</u>
Total governmental activities debt	<u>\$ 8,595,771</u>	<u>\$ 1,022,925</u>

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

SCHOOL LUNCH PROGRAM FINANCIAL ACCOUNTING SYSTEM

The financial activity associated with the School Corporation's School Lunch Program was recorded in a separate financial ledger system (using a centralized School Lunch extra-curricular account for all schools) which was administered by the School Lunch Director. The following deficiencies were noted in regards to the School Lunch Program:

1. Invoices associated with the School Lunch Program were processed and paid prior to School Board approval.

IC 5-11-10-1.6 states in part:

". . . (c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

2. Proper controls were not in place to ensure proper accountability and recording of financial transactions associated with the School Lunch Program. There was a lack of segregation of duties as the Food Service Director is responsible for the following duties regarding the School Lunch extra-curricular account:

- a. reconciles bank depository account balance to the financial record balance;
- b. records financial transactions to the records;
- c. purchases items associated with the school lunch program;
- d. prepares checks for payment of invoices associated with the school lunch program;
- e. collects money from the cashiers; and
- f. deposits collections

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

3. The School Corporation records prepayment on account from students and staff as cash sales in the School Lunch Fund's extra-curricular account. Unused prepayment balances are included in the School Lunch Fund cash balance and not recorded as prescribed.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. (The School Administrator and Uniform Compliance Guidelines, Volume 183, September 2008)

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

ACADEMIC HONORS FIGURES - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates figures for academic honors reported to the State through the STN Application Center did not agree with the Southwestern High School roster for students earning academic honors. The number of students earning honor diplomas was incorrect for the school year ending June 30, 2009, for the Class of 2008.

The honors diploma count as reported through the STN Application Center was 39. However, the actual verified count per School Corporation records was 38.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

TRANSACTION RECORDING

Transfers in the amount of \$49,217 and inter-fund loans in the amount of \$241,897 were not recorded in the ledger through the issuance of receipts and checks in School Year 2008-2009. These transactions were not reported in the "Revenue History Report" or the "Expenditure Report." We also noted in School Year 2009-2010, transfers in the amount of \$21,779 were not reported in the "Revenue History Report" or the "Expenditure Report."

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CLEARING ACCOUNT

The School Corporation recorded some normal operating financial transactions associated with governmental funds in a clearing account. As a result of not recording the activity in the proper governmental funds as required, the financial activity was not reported on the financial report (Form 9) filed with the Indiana Department of Education.

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

The following governmental activity was incorrectly accounted for in the clearing account:

1. An insurance reimbursement for wind damage in the amount of \$153,592 for school year 2008-2009 was receipted to the clearing account and disbursed to pay for roof repair and repairs to a heating, ventilation, and air conditioning system.
2. A transfer in the school year 2008-2009 in the amount of \$12,731 was made to the clearing account from the Capital Project Fund of which \$8,652 was to pay for material for a baseball field.
3. Insurance reimbursements during the school year 2009-2010 in the amount of \$34,314 were receipted to the clearing account and disbursed to pay for repairs to a bus, a sign, and the High School roof.

The clearing accounts are subsidiary records only and should not be used in lieu of proper and prescribed reporting of receipts, disbursements and balances of funds of the school corporation in accordance IC 5-11-1-2. The accounts are defined within each classification dependent on the purpose they serve. These purposes are detailed herein and include Petty Cash, Central Stores, Prepaid Insurance, Investments, Loans and Payroll Deductions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 6)

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balances of the School Bus Replacement Fund and the Retirement/Severance Bond Fund were overdrawn at June 30, 2010, in the amounts of \$50,820 and \$49,000, respectively.

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED
SCHOOL CORPORATION, JEFFERSON COUNTY, INDIANA

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

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

This report is intended solely for the information and use of the School Corporation's management, Board of School Trustees, 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 14, 2011

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
FY 08-09		09-4000	\$ 93,272	\$ -
FY 09-10		10-4000	-	106,678
Total for program			<u>93,272</u>	<u>106,678</u>
National School Lunch Program	10.555			
FY 08-09		09-4000	285,994	-
FY 09-10		10-4000	-	317,063
Total for program			<u>285,994</u>	<u>317,063</u>
Total for federal grantor agency			<u>379,266</u>	<u>423,741</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
FY 07-08	84.010	08-4000	70,685	-
FY 07-08 School Improvement Funds		08-4000	4,210	417
FY 08-09		09-4000	269,837	103,921
FY 09-10		10-4000	-	287,763
Total for program			<u>344,732</u>	<u>392,101</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
FY 09-10			-	76,339
Total for cluster			<u>344,732</u>	<u>468,440</u>
Education Technology State Grants Cluster				
Education Technology State Grants				
06-15-07 to 09-30-08	84.318		175,165	3,098
06-15-08 to 09-30-09			-	14,223
Total for program			<u>175,165</u>	<u>17,321</u>
ARRA - Education Technology State Grants, Recovery Act	84.386			
FY 09-10			-	86,347
Total for cluster			<u>175,165</u>	<u>103,668</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 07-08		07-4000	4,541	-
FY 08-09		08-4000	2,054	1,585
Total for program			<u>6,595</u>	<u>1,585</u>
State Grants for Innovative Programs	84.298			
FY 07-08		07-4000	7,453	-
FY 07-08 Supplemental			-	14,954
Total for program			<u>7,453</u>	<u>14,954</u>
Mathematics and Science Partnerships	84.366			
FY 07-08		6000/182500	17,691	-
Improving Teacher Quality State Grants	84.367			
FY 06-07		06-4000	20,120	-
FY 07-08		07-4000	21,516	1,528
FY 07-08		08-4000	-	23,046
FY 08-09		09-4000	-	31,493
Total for program			<u>41,636</u>	<u>56,067</u>
Total for federal grantor agency			<u>669,537</u>	<u>1,649,440</u>
SOCIAL SECURITY ADMINISTRATION				
Pass-Through Family and Social Services Administration				
Disability Insurance/SSI Cluster				
Social Security - Disability Insurance	96.001			
FY 09-10			-	98
Total federal awards expended			<u>\$ 1,048,803</u>	<u>\$ 2,073,279</u>

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

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southwestern Jefferson County Consolidated School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	\$ 9,871	\$ 10,065
National School Lunch Program	10.555	30,266	30,083

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

Name of Federal Program or Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Southwestern Jefferson County Consolidated School Corporation

239 South Main Cross Street Hanover, Indiana 47243-9309 Administrative Office 812-866-6250 FAX 812-866-6256

Superintendent

Mr. Steve Telfer

Assistant To

Superintendent/

Corporation Treasurer

Laura Boldery

Board of School Trustees

Cree Green, President

Carroll Kleopfer, Vice-President

Jodi Gray, Secretary

Narci Burress, Member

David Nickels, Member

SUMMARY OF PRIOR AUDIT FINDINGS

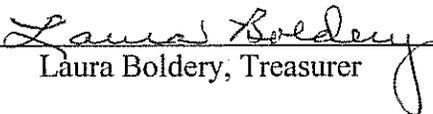
Finding Number 2008-01, Title I, Part A, Cash Management

Original SBA Audit Report Number	<u>B 34508</u>
Fiscal Year	<u>2006-07, 2007-08</u>
Auditee Contact Person	<u>Laura Boldery</u>
Title of Contact Person	<u>Treasurer/Assistant to the Supt.</u>
Phone Number	<u>812-866-6253</u>

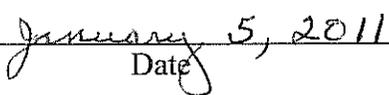
Status of Finding:

To the extent possible, we have taken steps to expend and draw down amounts for this grant program to be closer to the actual monthly disbursements resulting in a lower cash balance for the funds needed.

Effective July 1, 2010 federal grants will no longer be advanced but will be reimbursed based on actual expenditures. This change is based on the direction of the USDOE.



Laura Boldery, Treasurer



Date

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CARING

CITIZENSHIP

SOUTHWESTERN JEFFERSON COUNTY CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2011, with Steve Telfer, Superintendent of Schools, and Laura Boldery, Treasurer.

The contents of this report were discussed on February 14, 2011, with Jodi Gray, Vice President of the School Board; Deanna Liter, School Board member; and Wanda Spurgeon, Food Service Director.