

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

AUDIT REPORT  
OF

BROWNSTOWN CENTRAL COMMUNITY  
SCHOOL CORPORATION  
JACKSON 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	Patsy A. Hess	07-01-08 to 06-30-11
Superintendent of Schools	Roger L. Bane	07-01-08 to 06-30-13
President of the School Board	Jack L. Montgomery	07-01-08 to 06-30-11



**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 BROWNSTOWN CENTRAL COMMUNITY  
SCHOOL CORPORATION, JACKSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brownstown Central Community 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 3, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 3, 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 BROWNSTOWN CENTRAL COMMUNITY  
SCHOOL CORPORATION, JACKSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brownstown Central Community 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 3, 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, the school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 3, 2011

BROWNSTOWN CENTRAL COMMUNITY 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>Net</u>
		<u>Charges for</u>	<u>Operating</u>	<u>(Disbursements)</u>
		<u>Services</u>	<u>Grants and</u>	<u>Receipts and</u>
			<u>Contributions</u>	<u>Changes in</u>
				<u>Net Assets</u>
			<u>Totals</u>	
Governmental activities:				
Instruction	\$ 7,388,288	\$ -	\$ 104,038	\$ (7,284,250)
Support services	4,498,924	451,942	370,038	(3,676,944)
Noninstructional services	879,433	-	-	(879,433)
Facilities acquisition and construction	1,016,983	-	-	(1,016,983)
Debt service	3,064,356	-	-	(3,064,356)
Nonprogrammed charges	1,102,913	-	-	(1,102,913)
<b>Total governmental activities</b>	<b><u>\$ 17,950,897</u></b>	<b><u>\$ 451,942</u></b>	<b><u>\$ 474,076</u></b>	<b><u>(17,024,879)</u></b>
General receipts:				
Property taxes				5,134,091
Other local sources				1,247,330
State aid				7,858,943
Bonds and loans				1,600,000
Grants and contributions not restricted to specific programs				1,333,387
Investment earnings				10,962
Other				424,670
<b>Total general receipts</b>				<b><u>17,609,383</u></b>
Change in net assets				584,504
Net assets - beginning				<u>1,826,671</u>
Net assets - ending				<b><u>\$ 2,411,175</u></b>
<b>Assets</b>				
Cash and investments				\$ 2,382,249
Restricted assets:				
Cash and investments				<u>28,926</u>
<b>Total assets</b>				<b><u>\$ 2,411,175</u></b>
<b>Net Assets</b>				
Restricted for:				
Other purposes				\$ 28,926
Unrestricted				<u>2,382,249</u>
<b>Total net assets</b>				<b><u>\$ 2,411,175</u></b>

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

BROWNSTOWN CENTRAL COMMUNITY 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>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,983,086	\$ -	\$ 169,267	\$ (7,813,819)
Support services	4,901,695	479,975	366,795	(4,054,925)
Noninstructional services	872,479	-	-	(872,479)
Facilities acquisition and construction	1,172,401	-	-	(1,172,401)
Debt service	1,453,931	-	-	(1,453,931)
Nonprogrammed charges	401,791	-	-	(401,791)
<b>Total governmental activities</b>	<b><u>\$ 16,785,383</u></b>	<b><u>\$ 479,975</u></b>	<b><u>\$ 536,062</u></b>	<b><u>(15,769,346)</u></b>
General receipts:				
Property taxes				5,413,006
Other local sources				1,805,568
State aid				9,912,271
Grants and contributions not restricted to specific programs				1,064,157
Investment earnings				14,290
Other				<u>44,719</u>
<b>Total general receipts</b>				<b><u>18,254,011</u></b>
Change in net assets				2,484,665
Net assets - beginning				<u>2,411,175</u>
Net assets - ending				<b><u>\$ 4,895,840</u></b>
<b><u>Assets</u></b>				
Cash and investments				\$ 4,453,263
Restricted assets:				
Cash and investments				<u>442,577</u>
<b>Total assets</b>				<b><u>\$ 4,895,840</u></b>
<b><u>Net Assets</u></b>				
Restricted for:				
Debt service				\$ 442,577
Unrestricted				<u>4,453,263</u>
<b>Total net assets</b>				<b><u>\$ 4,895,840</u></b>

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

BROWNSTOWN CENTRAL COMMUNITY 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	Local Rainy Day Fund	Fiscal Stabilization Grant	Debt Service	Capital Projects	Construction Fund	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 2,814,689	\$ -	\$ -	\$ 938,833	\$ 1,373,900	\$ -	\$ 1,716,453	\$ 6,843,875
Intermediate sources	450	-	-	-	-	-	-	450
State sources	7,927,323	-	-	-	-	-	124,260	8,051,583
Federal sources	-	-	864,041	-	-	-	750,782	1,614,823
Temporary loans	1,600,000	-	-	-	-	-	-	1,600,000
Other	20,129	-	-	-	-	-	685	20,814
<b>Total receipts</b>	<b>12,362,591</b>	<b>-</b>	<b>864,041</b>	<b>938,833</b>	<b>1,373,900</b>	<b>-</b>	<b>2,592,180</b>	<b>18,131,545</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	6,988,995	-	-	-	-	-	399,293	7,388,288
Support services	2,810,772	-	-	-	444,142	-	1,244,010	4,498,924
Noninstructional services	123,695	-	-	-	-	-	755,738	879,433
Facilities acquisition and construction	-	-	-	-	1,016,983	-	-	1,016,983
Debt services	1,600,000	-	-	1,278,115	-	-	186,241	3,064,356
Nonprogrammed charges	211,539	-	-	-	-	-	-	211,539
<b>Total disbursements</b>	<b>11,735,001</b>	<b>-</b>	<b>-</b>	<b>1,278,115</b>	<b>1,461,125</b>	<b>-</b>	<b>2,585,282</b>	<b>17,059,523</b>
Excess (deficiency) of receipts over disbursements	627,590	-	864,041	(339,282)	(87,225)	-	6,898	1,072,022
<b>Other financing sources (uses):</b>								
Transfers in	4,460	200,000	-	-	-	-	110,195	314,655
Transfers out	(518,442)	-	-	(14,619)	(218,985)	-	(119,903)	(871,949)
<b>Total other financing sources (uses)</b>	<b>(513,982)</b>	<b>200,000</b>	<b>-</b>	<b>(14,619)</b>	<b>(218,985)</b>	<b>-</b>	<b>(9,708)</b>	<b>(557,294)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	113,608	200,000	864,041	(353,901)	(306,210)	-	(2,810)	514,728
Cash and investments - beginning	330,571	843,563	-	(29,693)	371,040	936	351,104	1,867,521
Cash and investments - ending	\$ 444,179	\$ 1,043,563	\$ 864,041	\$ (383,594)	\$ 64,830	\$ 936	\$ 348,294	2,382,249

Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:  
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.

28,926

Net assets of governmental activities

\$ 2,411,175

Cash and Investment Assets - Ending

Cash and investments	\$ 444,179	\$ 1,043,563	\$ 864,041	\$ (383,594)	\$ 64,830	\$ 936	\$ 348,294	\$ 2,382,249
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Cash and Investment Fund Balance - Ending

Unrestricted	\$ 444,179	\$ 1,043,563	\$ 864,041	\$ (383,594)	\$ 64,830	\$ 936	\$ 348,294	\$ 2,382,249
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The notes to the financial statements are an integral part of this statement.

BROWNSTOWN CENTRAL COMMUNITY 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	Local Rainy Day Fund	Fiscal Stabilization Grant	Debt Service	Capital Projects	Construction Fund	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 133,463	\$ -	\$ -	\$ 2,022,760	\$ 2,387,630	\$ 550,000	\$ 2,616,567	\$ 7,710,420
Intermediate sources	2,420	-	-	-	-	-	-	2,420
State sources	10,047,818	-	-	-	-	-	94,036	10,141,854
Federal sources	-	-	363,319	-	-	-	1,007,316	1,370,635
Other	6,299	-	-	-	-	-	2,034	8,333
<b>Total receipts</b>	<b>10,190,000</b>	<b>-</b>	<b>363,319</b>	<b>2,022,760</b>	<b>2,387,630</b>	<b>550,000</b>	<b>3,719,953</b>	<b>19,233,662</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	6,142,325	-	1,227,360	-	-	-	613,401	7,983,086
Support services	2,832,448	32,965	-	-	509,788	-	1,526,494	4,901,695
Noninstructional services	145,664	-	-	-	-	-	726,815	872,479
Facilities acquisition and construction	-	-	-	-	1,161,401	11,000	-	1,172,401
Debt services	-	-	-	1,269,000	-	-	184,931	1,453,931
Nonprogrammed charges	145,706	-	-	-	-	-	96,728	242,434
<b>Total disbursements</b>	<b>9,266,143</b>	<b>32,965</b>	<b>1,227,360</b>	<b>1,269,000</b>	<b>1,671,189</b>	<b>11,000</b>	<b>3,148,369</b>	<b>16,626,026</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>923,857</b>	<b>(32,965)</b>	<b>(864,041)</b>	<b>753,760</b>	<b>716,441</b>	<b>539,000</b>	<b>571,584</b>	<b>2,607,636</b>
<b>Other financing sources (uses):</b>								
Transfers in	50,322	350,000	-	14,619	18,985	-	16,631	450,557
Transfers out	(84,595)	-	-	-	(350,000)	-	(110,007)	(544,602)
<b>Total other financing sources (uses)</b>	<b>(34,273)</b>	<b>350,000</b>	<b>-</b>	<b>14,619</b>	<b>(331,015)</b>	<b>-</b>	<b>(93,376)</b>	<b>(94,045)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>889,584</b>	<b>317,035</b>	<b>(864,041)</b>	<b>768,379</b>	<b>385,426</b>	<b>539,000</b>	<b>478,208</b>	<b>2,513,591</b>
<b>Cash and investments - beginning</b>	<b>444,179</b>	<b>1,043,563</b>	<b>864,041</b>	<b>(383,594)</b>	<b>64,830</b>	<b>936</b>	<b>348,294</b>	<b>2,382,249</b>
<b>Cash and investments - ending</b>	<b>\$ 1,333,763</b>	<b>\$ 1,360,598</b>	<b>\$ -</b>	<b>\$ 384,785</b>	<b>\$ 450,256</b>	<b>\$ 539,936</b>	<b>\$ 826,502</b>	<b>\$ 4,895,840</b>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 1,333,763	\$ 1,360,598	\$ -	\$ -	\$ 450,256	\$ 539,936	\$ 768,710	\$ 4,453,263
<b>Restricted assets:</b>								
Cash and investments	-	-	-	384,785	-	-	57,792	442,577
<b>Total cash and investment assets - ending</b>	<b>\$ 1,333,763</b>	<b>\$ 1,360,598</b>	<b>\$ -</b>	<b>\$ 384,785</b>	<b>\$ 450,256</b>	<b>\$ 539,936</b>	<b>\$ 826,502</b>	<b>\$ 4,895,840</b>
<b>Cash and Investment Fund Balance - Ending</b>								
<b>Restricted for:</b>								
Debt service	\$ -	\$ -	\$ -	\$ 384,785	\$ -	\$ -	\$ 57,792	\$ 442,577
Unrestricted	1,333,763	1,360,598	-	-	450,256	539,936	768,710	4,453,263
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,333,763</b>	<b>\$ 1,360,598</b>	<b>\$ -</b>	<b>\$ 384,785</b>	<b>\$ 450,256</b>	<b>\$ 539,936</b>	<b>\$ 826,502</b>	<b>\$ 4,895,840</b>

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 35
Miscellaneous	403,856
	403,891
Total operating receipts	403,891
Operating disbursements:	
Insurance claims and expense	891,409
	891,409
Deficiency of operating receipts over operating disbursements	(487,518)
Transfers in	557,294
	557,294
Change in net assets	69,776
Cash and investment fund balance - beginning	(40,850)
	(40,850)
Cash and investment fund balance - ending	\$ 28,926
	28,926
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 28,926
	28,926
Total cash and investment assets - ending	\$ 28,926
	28,926
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 28,926
	28,926
Total cash and investment fund balance - ending	\$ 28,926
	28,926

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

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

	Internal Service Fund
Operating receipts:	
Miscellaneous	\$ 36,386
Operating disbursements:	
Insurance claims and expense	159,357
Deficiency of operating receipts over operating disbursements	(122,971)
Transfers in	94,045
Change in net assets	(28,926)
Cash and investment fund balance - beginning	28,926
Cash and investment fund balance - ending	\$ -
<u>Cash and Investment Assets - Ending</u>	
Total cash and investment assets - ending	\$ -
<u>Cash and Investment Fund Balance - Ending</u>	
Total cash and investment fund balance - ending	\$ -

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

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>44,834</u>
Investment earnings:	
Interest	<u>1,281</u>
Total additions	<u>46,115</u>
Deductions:	
Administrative and general	<u>44,971</u>
Excess of total additions over total deductions	1,144
Cash and investment fund balance - beginning	<u>99,835</u>
Cash and investment fund balance - ending	<u>\$ 100,979</u>
Net assets:	
Cash and investments	<u>\$ 100,979</u>
Total net assets - cash and investment basis held in trust	<u>\$ 100,979</u>

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

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	<u>\$ 171,934</u>
Investment earnings:	
Interest	<u>1,473</u>
Total additions	<u>173,407</u>
Deductions:	
Administrative and general	<u>194,718</u>
Deficiency of total additions over total deductions	(21,311)
Cash and investment fund balance - beginning	<u>100,979</u>
Cash and investment fund balance - ending	<u><u>\$ 79,668</u></u>
Net assets:	
Cash and investments	<u>\$ 79,668</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 79,668</u></u>

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

BROWNSTOWN CENTRAL COMMUNITY 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: Brownstown Central Community School Corporation

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

Joint Ventures

The School Corporation is a participant in a joint venture to operate Orange, Lawrence, Jackson, Martin, and Green Counties Co-op which was created to provide instruction for exceptional children. The Orange, Lawrence, Jackson, Martin, and Green Counties Co-op's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Orange, Lawrence, Jackson, Martin, and Green Counties Co-op can be obtained from the Co-op's administration offices located at 460 "W" Street, P.O. Box 729, Bedford, Indiana, 47421-0729.

The School Corporation is a participant in a joint venture to operate Wilson Education Center which was created to provide educational planning and assistance in meeting specific education needs of participating schools. The Wilson Education Center's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Wilson Education Center can be obtained from the Center's administration offices located at 1201 Grace Avenue, Charlestown, Indiana, 47111.

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, there are no business-type activities to report at this time.

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

The fiscal stabilization grant fund is a federally funded program used to supplement federal, state and local programs.

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

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

The construction fund accounts for planned construction, repair, replacement or remodeling of building projects.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for all receipts and disbursements from the School Corporation's self-insurance fund. However, the school is no longer self-insured and this fund was closed out during the audit period.

The private-purpose trust funds report trust arrangements under which principal and income benefit individuals in the form of scholarships. Furthermore, some funds provide funds for specific educational programs.

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.

BROWNSTOWN CENTRAL COMMUNITY 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 enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

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

BROWNSTOWN CENTRAL COMMUNITY 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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. 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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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.

G. Rounding Differences

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

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. At June 30, 2010, the School Corporation had deposit balances in the amount of \$5,025,381. 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.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
General Fund	Internal Service Fund	\$ 480,059	\$ 84,595
	Other Governmental Funds	38,383	-
Debt Service Fund	Other Governmental Funds	14,619	-
Capital Projects Fund	Local Rainy Day Fund	200,000	350,000
	Other Governmental Funds	18,985	-
Other Governmental Funds	General Fund	4,460	50,322
	Debt Service Fund	-	14,619
	Capital Projects Fund	-	18,985
	Other Governmental Funds	38,208	16,631
	Internal Service Fund	<u>77,235</u>	<u>9,450</u>
Totals		<u>\$ 871,949</u>	<u>\$ 544,602</u>

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

IV. Other Information

A. Risk Management

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

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B. Holding Corporations

The School Corporation has entered into a capital lease with the Brownstown District 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 ended June 30, 2009 and 2010, totaled \$1,269,575 and 1,269,000, respectively.

C. Subsequent Events

The School Corporation entered into an agreement for Qualified School Construction Bonds for energy savings projects at the high school and middle school in the amount of \$1,850,000.

D. Termination Benefits

During the current year, the School Corporation offered to all employees who retire from the School Corporation health, life insurance, and severance pay for unused sick days on or after attaining age fifty-five with at least twenty years of service. Currently, nineteen employees meet these eligibility requirements. The School Corporation provides \$3,250 annually for health insurance and pays 100% of life insurance benefits for eligible retirees. Disbursements for those post-employment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2010, disbursements of \$54,252 were recognized for postemployment benefits.

E. Pension Plan

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:

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$215,980.

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 \$477,750.

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Assets Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 1,242,541	\$ 1,410,093	\$ (167,552)	88%	\$ 1,167,891	(14%)
07-01-08	1,337,188	1,495,918	(158,730)	89%	1,169,860	(14%)
07-01-09	1,171,198	1,439,249	(268,051)	81%	1,409,358	(19%)

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

	Transportation Operating	Special Education Preschool	School Lunch Fund	Textbook Rental Fund	Levy Excess Fund	Education License Plates
Receipts:						
Local sources	\$ 711,173	\$ 7,957	\$ 408,996	\$ 88,092	\$ -	\$ -
State sources	-	37,894	10,983	39,398	-	-
Federal sources	-	-	319,657	-	-	-
Other	-	-	685	-	-	-
<b>Total receipts</b>	<b>711,173</b>	<b>45,851</b>	<b>740,321</b>	<b>127,490</b>	<b>-</b>	<b>-</b>
Disbursements:						
Current:						
Instruction	-	28,213	-	-	-	-
Support services	764,783	-	-	166,491	-	-
Noninstructional services	-	-	755,738	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>764,783</b>	<b>28,213</b>	<b>755,738</b>	<b>166,491</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(53,610)	17,638	(15,417)	(39,001)	-	-
Other financing sources (uses):						
Transfers in	12,540	-	-	-	88,731	-
Transfers out	(63,001)	(12,653)	(15,658)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(50,461)</b>	<b>(12,653)</b>	<b>(15,658)</b>	<b>-</b>	<b>88,731</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(104,071)	4,985	(31,075)	(39,001)	88,731	-
Cash and investments - beginning	44,573	34,693	68,101	64,143	-	2,194
Cash and investments - ending	<u>\$ (59,498)</u>	<u>\$ 39,678</u>	<u>\$ 37,026</u>	<u>\$ 25,142</u>	<u>\$ 88,731</u>	<u>\$ 2,194</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ (59,498)</u>	<u>\$ 39,678</u>	<u>\$ 37,026</u>	<u>\$ 25,142</u>	<u>\$ 88,731</u>	<u>\$ 2,194</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ (59,498)</u>	<u>\$ 39,678</u>	<u>\$ 37,026</u>	<u>\$ 25,142</u>	<u>\$ 88,731</u>	<u>\$ 2,194</u>

BROWNSTOWN CENTRAL COMMUNITY 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)

	Alternative Education Grant	Early Intervention	School Recycling Learning Grant	Instructional Support Fund	Gifted/Talented 02-03	Non-English Speaking Program
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	1,500	500	33,235	-	750
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>1,500</u>	<u>500</u>	<u>33,235</u>	<u>-</u>	<u>750</u>
Disbursements:						
Current:						
Instruction	-	-	-	2,315	33,146	1,697
Support services	-	1,500	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>2,315</u>	<u>33,146</u>	<u>1,697</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>500</u>	<u>30,920</u>	<u>(33,146)</u>	<u>(947)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>500</u>	<u>30,920</u>	<u>(33,146)</u>	<u>(947)</u>
Cash and investments - beginning	<u>1,708</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>33,146</u>	<u>968</u>
Cash and investments - ending	<u>\$ 1,708</u>	<u>\$ 1,500</u>	<u>\$ 500</u>	<u>\$ 30,920</u>	<u>\$ -</u>	<u>\$ 21</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 1,708</u>	<u>\$ 1,500</u>	<u>\$ 500</u>	<u>\$ 30,920</u>	<u>\$ -</u>	<u>\$ 21</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 1,708</u>	<u>\$ 1,500</u>	<u>\$ 500</u>	<u>\$ 30,920</u>	<u>\$ -</u>	<u>\$ 21</u>

BROWNSTOWN CENTRAL COMMUNITY 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	Economic Education Grant	ECIA Title I	Title I	Title I Juvenile Home	Title V, Part A
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	27,000	268,544	5,112	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>27,000</b>	<b>268,544</b>	<b>5,112</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	45,662	265,999	5,921	-
Support services	-	-	-	725	-	2,932
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>45,662</b>	<b>266,724</b>	<b>5,921</b>	<b>2,932</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>(18,662)</b>	<b>1,820</b>	<b>(809)</b>	<b>(2,932)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	8,924	-	-
Transfers out	-	-	(10,271)	(7,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(10,271)</b>	<b>1,924</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>-</b>	<b>(28,933)</b>	<b>3,744</b>	<b>(809)</b>	<b>(2,932)</b>
<b>Cash and investments - beginning</b>	<b>4,804</b>	<b>313</b>	<b>28,933</b>	<b>-</b>	<b>371</b>	<b>2,932</b>
<b>Cash and investments - ending</b>	<b>\$ 4,804</b>	<b>\$ 313</b>	<b>\$ -</b>	<b>\$ 3,744</b>	<b>\$ (438)</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
<b>Cash and investments</b>	<b>\$ 4,804</b>	<b>\$ 313</b>	<b>\$ -</b>	<b>\$ 3,744</b>	<b>\$ (438)</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Unrestricted</b>	<b>\$ 4,804</b>	<b>\$ 313</b>	<b>\$ -</b>	<b>\$ 3,744</b>	<b>\$ (438)</b>	<b>\$ -</b>

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

	Title 6 1991-1996	Title 6 2001-2002	Drug Free Grant 2004-05	Title IV, Part A D.F. 2002-2003	Title II 2002-2003
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	-	6,924	-	89,632
Other	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	-	6,924	-	89,632
Disbursements:					
Current:					
Instruction	-	-	6,224	6,350	2,657
Support services	-	-	700	-	89,379
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	-	-	6,924	6,350	92,036
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	(6,350)	(2,404)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(2,843)	(1,617)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,843)	(1,617)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(2,843)	(1,617)	-	(6,350)	(2,404)
Cash and investments - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,843	1,617	1,129	6,350	18,908
Cash and investments - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ 1,129	\$ -	\$ 16,504
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ 1,129	\$ -	\$ 16,504
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ 1,129	\$ -	\$ 16,504

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

	Title III	Title I - Grants to LEAs Stimulus	Retirement/ Severance Bond Debt	School Bus Replacement	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 165,420	\$ 334,815	\$ 1,716,453
State sources	-	-	-	-	124,260
Federal sources	2,611	31,302	-	-	750,782
Other	-	-	-	-	685
<b>Total receipts</b>	<u>2,611</u>	<u>31,302</u>	<u>165,420</u>	<u>334,815</u>	<u>2,592,180</u>
Disbursements:					
Current:					
Instruction	1,109	-	-	-	399,293
Support services	-	-	-	217,500	1,244,010
Noninstructional services	-	-	-	-	755,738
Debt services	-	-	186,241	-	186,241
<b>Total disbursements</b>	<u>1,109</u>	<u>-</u>	<u>186,241</u>	<u>217,500</u>	<u>2,585,282</u>
Excess (deficiency) of receipts over disbursements	<u>1,502</u>	<u>31,302</u>	<u>(20,821)</u>	<u>117,315</u>	<u>6,898</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	110,195
Transfers out	-	-	(2,433)	(4,427)	(119,903)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(2,433)</u>	<u>(4,427)</u>	<u>(9,708)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,502	31,302	(23,254)	112,888	(2,810)
Cash and investments - beginning	51	-	(48,549)	80,376	351,104
Cash and investments - ending	<u>\$ 1,553</u>	<u>\$ 31,302</u>	<u>\$ (71,803)</u>	<u>\$ 193,264</u>	<u>\$ 348,294</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 1,553</u>	<u>\$ 31,302</u>	<u>\$ (71,803)</u>	<u>\$ 193,264</u>	<u>\$ 348,294</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 1,553</u>	<u>\$ 31,302</u>	<u>\$ (71,803)</u>	<u>\$ 193,264</u>	<u>\$ 348,294</u>

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

	Transportation Operating	Special Education Preschool	School Lunch Fund	Textbook Rental Fund	Levy Excess Fund	Education License Plates	Alternative Education Grant
<b>Receipts:</b>							
Local sources	\$ 1,286,749	\$ -	\$ 430,407	\$ 121,283	\$ -	\$ -	\$ -
State sources	-	19,250	10,920	-	-	-	-
Federal sources	-	-	355,374	-	-	-	-
Other	2,034	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,288,783</b>	<b>19,250</b>	<b>796,701</b>	<b>121,283</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	47,102	-	-	-	-	-
Support services	822,009	-	-	143,628	-	-	-
Noninstructional services	-	-	726,409	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>822,009</b>	<b>47,102</b>	<b>726,409</b>	<b>143,628</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>466,774</b>	<b>(27,852)</b>	<b>70,292</b>	<b>(22,345)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Transfers in	9,771	-	-	-	-	-	-
Transfers out	(9,450)	(11,826)	-	-	(88,731)	-	-
<b>Total other financing sources (uses)</b>	<b>321</b>	<b>(11,826)</b>	<b>-</b>	<b>-</b>	<b>(88,731)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>467,095</b>	<b>(39,678)</b>	<b>70,292</b>	<b>(22,345)</b>	<b>(88,731)</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>(59,498)</b>	<b>39,678</b>	<b>37,026</b>	<b>25,142</b>	<b>88,731</b>	<b>2,194</b>	<b>1,708</b>
<b>Cash and investments - ending</b>	<b>\$ 407,597</b>	<b>\$ -</b>	<b>\$ 107,318</b>	<b>\$ 2,797</b>	<b>\$ -</b>	<b>\$ 2,194</b>	<b>\$ 1,708</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 407,597	\$ -	\$ 107,318	\$ 2,797	\$ -	\$ 2,194	\$ 1,708
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 407,597</b>	<b>\$ -</b>	<b>\$ 107,318</b>	<b>\$ 2,797</b>	<b>\$ -</b>	<b>\$ 2,194</b>	<b>\$ 1,708</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	407,597	-	107,318	2,797	-	2,194	1,708
<b>Total cash and investment fund balance - ending</b>	<b>\$ 407,597</b>	<b>\$ -</b>	<b>\$ 107,318</b>	<b>\$ 2,797</b>	<b>\$ -</b>	<b>\$ 2,194</b>	<b>\$ 1,708</b>

BROWNSTOWN CENTRAL COMMUNITY 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)

	Early Intervention	School Recycling Learning Grant	Instructional Support Fund	Gifted/Talented 2008-2009	Non-English Speaking Program	School Technology	Miscellaneous Programs
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	500	-	32,800	920	-	500
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>32,800</b>	<b>920</b>	<b>-</b>	<b>500</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	30,920	2,454	962	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	406	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>406</b>	<b>30,920</b>	<b>2,454</b>	<b>962</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>94</b>	<b>(30,920)</b>	<b>30,346</b>	<b>(42)</b>	<b>-</b>	<b>500</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>94</b>	<b>(30,920)</b>	<b>30,346</b>	<b>(42)</b>	<b>-</b>	<b>500</b>
Cash and investments - beginning	1,500	500	30,920	-	21	4,804	-
Cash and investments - ending	<u>\$ 1,500</u>	<u>\$ 594</u>	<u>\$ -</u>	<u>\$ 30,346</u>	<u>\$ (21)</u>	<u>\$ 4,804</u>	<u>\$ 500</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 1,500	\$ 594	\$ -	\$ 30,346	\$ (21)	\$ 4,804	\$ 500
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,500</u></b>	<b><u>\$ 594</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 30,346</u></b>	<b><u>\$ (21)</u></b>	<b><u>\$ 4,804</u></b>	<b><u>\$ 500</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,500	594	-	30,346	(21)	4,804	500
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,500</u></b>	<b><u>\$ 594</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 30,346</u></b>	<b><u>\$ (21)</u></b>	<b><u>\$ 4,804</u></b>	<b><u>\$ 500</u></b>

BROWNSTOWN CENTRAL COMMUNITY 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)

	Excess PTRC Distribution	Economic Education Grant	ECIA Title I	Title I	Title I Juvenile Home	Innovative Education Program Strategies Title V
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,144
State sources	29,146	-	-	-	-	-
Federal sources	-	-	275,251	27,000	9,790	1,144
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>29,146</b>	<b>-</b>	<b>275,251</b>	<b>27,000</b>	<b>9,790</b>	<b>2,288</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	233,301	30,744	10,005	-
Support services	-	-	112	-	-	2,288
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>233,413</b>	<b>30,744</b>	<b>10,005</b>	<b>2,288</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>29,146</b>	<b>-</b>	<b>41,838</b>	<b>(3,744)</b>	<b>(215)</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>29,146</b>	<b>-</b>	<b>41,838</b>	<b>(3,744)</b>	<b>(215)</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>313</b>	<b>-</b>	<b>3,744</b>	<b>(438)</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 29,146</b>	<b>\$ 313</b>	<b>\$ 41,838</b>	<b>\$ -</b>	<b>\$ (653)</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 29,146	\$ 313	\$ 41,838	\$ -	\$ (653)	\$ -
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 29,146</b>	<b>\$ 313</b>	<b>\$ 41,838</b>	<b>\$ -</b>	<b>\$ (653)</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	29,146	313	41,838	-	(653)	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 29,146</b>	<b>\$ 313</b>	<b>\$ 41,838</b>	<b>\$ -</b>	<b>\$ (653)</b>	<b>\$ -</b>

BROWNSTOWN CENTRAL COMMUNITY 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)

	Drug Free Grant 2004-05	Drug Free Schools Title IV PL 107-16	Title II 2002-2003	Title III	Title I - Grants to LEAs Stimulus	IDEA Part B Stimulus
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,929
State sources	-	-	-	-	-	-
Federal sources	-	5,608	90,562	-	76,025	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>5,608</b>	<b>90,562</b>	<b>-</b>	<b>76,025</b>	<b>274,929</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	938	-	-	8,390	77,686
Support services	-	4,670	82,226	-	64,449	60,149
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	96,728
<b>Total disbursements</b>	<b>-</b>	<b>5,608</b>	<b>82,226</b>	<b>-</b>	<b>72,839</b>	<b>234,563</b>
Excess (deficiency) of receipts over disbursements	-	-	8,336	-	3,186	40,366
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	8,336	-	3,186	40,366
Cash and investments - beginning	1,129	-	16,504	1,553	31,302	-
Cash and investments - ending	<u>\$ 1,129</u>	<u>\$ -</u>	<u>\$ 24,840</u>	<u>\$ 1,553</u>	<u>\$ 34,488</u>	<u>\$ 40,366</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,129	\$ -	\$ 24,840	\$ 1,553	\$ 34,488	\$ 40,366
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,129</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 24,840</u></b>	<b><u>\$ 1,553</u></b>	<b><u>\$ 34,488</u></b>	<b><u>\$ 40,366</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,129	-	24,840	1,553	34,488	40,366
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,129</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 24,840</u></b>	<b><u>\$ 1,553</u></b>	<b><u>\$ 34,488</u></b>	<b><u>\$ 40,366</u></b>

BROWNSTOWN CENTRAL COMMUNITY 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)

	IDEA Part B Preschool Stimulus	Education Technology Stimulus	Title I, Part D, Subpart 2 Stimulus	Retirement/ Severance Bond Debt	School Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ 15,387	\$ -	\$ -	\$ 312,093	\$ 174,575	\$ 2,616,567
State sources	-	-	-	-	-	94,036
Federal sources	-	162,764	3,798	-	-	1,007,316
Other	-	-	-	-	-	2,034
<b>Total receipts</b>	<b>15,387</b>	<b>162,764</b>	<b>3,798</b>	<b>312,093</b>	<b>174,575</b>	<b>3,719,953</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	13,803	153,298	3,798	-	-	613,401
Support services	581	7,172	-	-	339,210	1,526,494
Noninstructional services	-	-	-	-	-	726,815
Debt services	-	-	-	184,931	-	184,931
Nonprogrammed charges	-	-	-	-	-	96,728
<b>Total disbursements</b>	<b>14,384</b>	<b>160,470</b>	<b>3,798</b>	<b>184,931</b>	<b>339,210</b>	<b>3,148,369</b>
Excess (deficiency) of receipts over disbursements	1,003	2,294	-	127,162	(164,635)	571,584
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	2,433	4,427	16,631
Transfers out	-	-	-	-	-	(110,007)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,433</b>	<b>4,427</b>	<b>(93,376)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,003	2,294	-	129,595	(160,208)	478,208
Cash and investments - beginning	-	-	-	(71,803)	193,264	348,294
Cash and investments - ending	\$ 1,003	\$ 2,294	\$ -	\$ 57,792	\$ 33,056	\$ 826,502
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,003	\$ 2,294	\$ -	\$ -	\$ 33,056	\$ 768,710
Restricted assets:						
Cash and investments	-	-	-	57,792	-	57,792
<b>Total cash and investment assets - ending</b>	<b>\$ 1,003</b>	<b>\$ 2,294</b>	<b>\$ -</b>	<b>\$ 57,792</b>	<b>\$ 33,056</b>	<b>\$ 826,502</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 57,792	\$ -	\$ 57,792
Unrestricted	1,003	2,294	-	-	33,056	768,710
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,003</b>	<b>\$ 2,294</b>	<b>\$ -</b>	<b>\$ 57,792</b>	<b>\$ 33,056</b>	<b>\$ 826,502</b>

BROWNSTOWN CENTRAL COMMUNITY 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

	Project Lead The Way (ECHO 15)	Morris K. Fish Fund	Scharbrough Memorial Fund	Shake Scholarship Fund	Brownstown Health Center Scholarship	125 Reimbursement Refund Fund	Universal Service Fund	Totals
Additions:								
Contributions:								
Other	\$ 18,648	\$ 470	\$ -	\$ -	\$ -	\$ -	\$ 25,716	\$ 44,834
Investment earnings:								
Interest	-	14	-	746	521	-	-	1,281
Total additions	18,648	484	-	746	521	-	25,716	46,115
Deductions:								
Administrative and general	1,924	140	-	1,500	3,100	-	38,307	44,971
Excess (deficiency) of total additions over total deductions	16,724	344	-	(754)	(2,579)	-	(12,591)	1,144
Cash and investment fund balance - beginning	-	10	26	34,024	30,121	2,622	33,032	99,835
Cash and investments - June 30	<u>\$ 16,724</u>	<u>\$ 354</u>	<u>\$ 26</u>	<u>\$ 33,270</u>	<u>\$ 27,542</u>	<u>\$ 2,622</u>	<u>\$ 20,441</u>	<u>\$ 100,979</u>
Net assets:								
Cash and investments	\$ 16,724	\$ 354	\$ 26	\$ 33,270	\$ 27,542	\$ 2,622	\$ 20,441	\$ 100,979
Total net assets - cash and investment basis held in trust	<u>\$ 16,724</u>	<u>\$ 354</u>	<u>\$ 26</u>	<u>\$ 33,270</u>	<u>\$ 27,542</u>	<u>\$ 2,622</u>	<u>\$ 20,441</u>	<u>\$ 100,979</u>

BROWNSTOWN CENTRAL COMMUNITY 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

	Project Lead The Way (ECHO 15)	Morris K. Fish Fund	Scharbrough Memorial Fund	Shake Scholarship Fund	Brownstown Health Center Scholarship	IN Dept. Of Workforce Development (PLTW)	125 Reimbursement Refund Fund	Universal Service Fund	Totals
<b>Additions:</b>									
Contributions:									
Other	\$ 132,122	\$ -	\$ -	\$ -	\$ -	\$ 19,029	\$ -	\$ 20,783	\$ 171,934
Investment earnings:									
Interest	-	11	-	804	658	-	-	-	1,473
Total additions	<u>132,122</u>	<u>11</u>	<u>-</u>	<u>804</u>	<u>658</u>	<u>19,029</u>	<u>-</u>	<u>20,783</u>	<u>173,407</u>
<b>Deductions:</b>									
Administrative and general	<u>144,627</u>	<u>365</u>	<u>-</u>	<u>850</u>	<u>3,000</u>	<u>19,029</u>	<u>-</u>	<u>26,847</u>	<u>194,718</u>
Excess (deficiency) of total additions over total deductions	(12,505)	(354)	-	(46)	(2,342)	-	-	(6,064)	(21,311)
Cash and investment fund balance - beginning	<u>16,724</u>	<u>354</u>	<u>26</u>	<u>33,270</u>	<u>27,542</u>	<u>-</u>	<u>2,622</u>	<u>20,441</u>	<u>100,979</u>
Cash and Investments - June 30	<u>\$ 4,219</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 33,224</u>	<u>\$ 25,200</u>	<u>\$ -</u>	<u>\$ 2,622</u>	<u>\$ 14,377</u>	<u>\$ 79,668</u>
<b>Net assets:</b>									
Cash and investments	\$ 4,219	\$ -	\$ 26	\$ 33,224	\$ 25,200	\$ -	\$ 2,622	\$ 14,377	\$ 79,668
Total net assets - cash and investment basis held in trust	<u>\$ 4,219</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 33,224</u>	<u>\$ 25,200</u>	<u>\$ -</u>	<u>\$ 2,622</u>	<u>\$ 14,377</u>	<u>\$ 79,668</u>

BROWNSTOWN CENTRAL COMMUNITY 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:	
Buildings	\$ 20,195,523
Improvements other than buildings	207,709
Machinery and equipment	<u>2,350,543</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 22,753,775</u>

BROWNSTOWN CENTRAL COMMUNITY 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:		
Brownstown District School Building Corporation	\$ 6,505,000	\$ 1,270,000
Performance contract	499,966	78,521
Bonds payable:		
General obligation bonds:		
Pension bonds - retirement and severance payments	<u>595,000</u>	<u>187,935</u>
Total long-term debt	<u>\$ 7,599,966</u>	<u>\$ 1,536,456</u>

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

PENALTIES, INTEREST, AND OTHER CHARGES

The School Corporation paid \$8,798.77 in penalties and interest to the Internal Revenue Service on September 11, 2009, for the June 30, 2009 reporting period. The penalties and interest were actually assessed on payments that were due on April 15, 2009, and April 29, 2009, but were not remitted until April 24, 2009, and May 8, 2009, respectively. These penalties occurred prior to the last exit conference which was held on June 2, 2009.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF THE BROWNSTOWN CENTRAL COMMUNITY  
SCHOOL CORPORATION, JACKSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Brownstown Central Community 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, the school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 3, 2011

BROWNSTOWN CENTRAL COMMUNITY 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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 85,169	\$ 68,304
National School Lunch Program	10.555		<u>271,843</u>	<u>322,369</u>
Total for federal grantor agency			<u>357,012</u>	<u>390,673</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 2007-2008		08-3695	45,661	-
FY 2007-2008, Part D, Subpart 2		08-3695	806	-
FY 2008-2009		09-3695	268,544	27,000
FY 2008-2009, Part D, Subpart 2		09-3695	5,112	-
FY 2009-2010		10-3695	-	275,251
FY 2009-2010, Part D, Subpart 2		10-3695	-	<u>9,790</u>
Total for program			<u>320,123</u>	<u>312,041</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
FY 2008-2009		09-3695	31,302	-
FY 2009-2010		10-3695	-	76,025
FY 2009-2010, Part D, Subpart 2		10-3695	-	<u>3,798</u>
Total for program			<u>31,302</u>	<u>79,823</u>
Total for cluster			<u>351,425</u>	<u>391,864</u>
Education Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act (Enhancing Education through Technology Program)	84.386			
FY 2009-2010		10-3695	-	<u>162,764</u>
Pass-Through Orange, Lawrence, Jackson, Martin, and Green Counties Co-op Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	44410-049-SN01	-	<u>274,929</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	33310-049-SN01	-	<u>15,887</u>
Total for cluster			-	<u>290,816</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	3695	<u>864,041</u>	<u>363,319</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 2006-07		06-3695	6,350	-
FY 2007-08		07-3695	6,924	-
FY 2008-09		08-3695	-	<u>5,608</u>
Total for program			<u>13,274</u>	<u>5,608</u>
State Grants for Innovative Programs	84.298			
FY 2007-08		07-3695	-	<u>1,144</u>
Pass-Through Wilson Education Center English Language Acquisition Grants	84.365			
FY 2008-09		08-3695	<u>2,611</u>	-
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
FY 2007-08		07-3695	56,330	-
FY 2008-09		08-3695	-	<u>90,562</u>
Total for program			<u>56,330</u>	<u>90,562</u>
Total for federal grantor agency			<u>1,287,681</u>	<u>1,306,077</u>
Total federal awards expended			<u>\$ 1,644,693</u>	<u>\$ 1,696,750</u>

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

BROWNSTOWN CENTRAL COMMUNITY 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 Brownstown Central Community 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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2009 and 2010:

Program Title	Federal CFDA Number	2009	2010
ARRA – Education Technology State Grants, Recovery Act (Enhancing Education through Technology Program)	84.386	\$ -	\$ 53,608

III. 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
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 7,006	\$ 6,172
National School Lunch Program	10.555	32,870	29,127

BROWNSTOWN CENTRAL COMMUNITY 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  
Special Education 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.

# Brownstown Central Community School Corporation

608 W. Commerce Street • Brownstown, IN 47220 • Telephone 812-358-4271 • Fax 812-358-5303

January 7, 2011

Ref: B34467  
Federal Findings  
Summary Schedule of Prior Audit Finding  
Fiscal Years: 7/1/06 – 6/30/08

Audited Contact Person: Roger L. Bane  
Superintendent

Patsy Hess  
Treasurer

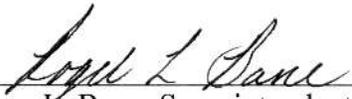
Phone Number: (812) 358-4271

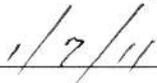
Finding No. 2008-1

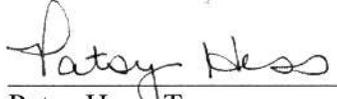
Expected Completion Date: Corrective action has been taken.  
Summary: Roger Bane, Superintendent and Patsy Hess, Treasurer have addressed reporting issues, all issues have been resolved. They continue to work together to provide IDOE Title I administrators with timely and accurate financial reports.

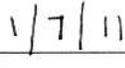
Finding No. 2008-2

Expected Completion Date: Corrective action has been taken.  
Summary: Roger Bane, Superintendent and Patsy Hess, Treasurer continue working together to assure correct accounting measures are used to keep reimbursement requests accurate. The Corporation will work with IDOE Title I administrators to continue to be in compliance.

  
\_\_\_\_\_  
Roger L. Bane, Superintendent

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Patsy Hess, Treasurer

  
\_\_\_\_\_  
Date

BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 3, 2011, with Roger L. Bane, Superintendent of Schools; Patsy A. Hess, Treasurer; and Jack L. Montgomery, President of the School Board. The officials concurred with our audit findings.