

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

AUDIT REPORT

OF

CLARKSVILLE COMMUNITY SCHOOL CORPORATION

CLARK COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED

03/09/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Judith N. Sanderson	07-01-08 to 06-30-11
Superintendent of Schools	Stephen G. Fisher Dr. Kimberly Knott	07-01-08 to 04-24-09 04-25-09 to 06-30-11
President of the School Board	William P. Wilson	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 CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clarksville 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 10, 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.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 10, 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 CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clarksville 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 10, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2010-1 to be a material weakness.

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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

February 10, 2011

CLARKSVILLE 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>	Program Receipts		<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	\$ 6,763,342	\$ -	\$ 180,754	\$ (6,582,588)
Support services	4,802,310	278,347	412,480	(4,111,483)
Noninstructional services	704,909	-	-	(704,909)
Facilities acquisition and construction	646,857	-	-	(646,857)
Debt service	4,227,839	-	-	(4,227,839)
Nonprogrammed charges	<u>613,212</u>	<u>-</u>	<u>-</u>	<u>(613,212)</u>
Total governmental activities	<u>\$ 17,758,469</u>	<u>\$ 278,347</u>	<u>\$ 593,234</u>	<u>(16,886,888)</u>
General receipts:				
Property taxes				6,796,220
Other local sources				1,524,119
State aid				7,083,970
Bonds and loans				1,487,906
Grants and contributions not restricted to specific programs				1,331,360
Sale of property				34,187
Investment earnings				51,147
Other				<u>44,385</u>
Total general receipts				<u>18,353,294</u>
Change in net assets				1,466,406
Net assets - beginning				<u>4,846,047</u>
Net assets - ending				<u>\$ 6,312,453</u>
<u>Assets</u>				
Cash and investments				\$ 4,820,357
Restricted assets:				
Cash and investments				<u>1,492,096</u>
Total assets				<u>\$ 6,312,453</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,492,096
Unrestricted				<u>4,820,357</u>
Total net assets				<u>\$ 6,312,453</u>

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

CLARKSVILLE 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>	Program Receipts		<u>Totals</u>	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 6,368,821	\$ -	\$ 162,973	\$ (6,205,848)	
Support services	4,387,281	266,561	548,735	(3,571,985)	
Noninstructional services	727,858	-	-	(727,858)	
Facilities acquisition and construction	395,608	-	-	(395,608)	
Debt service	4,146,209	-	-	(4,146,209)	
Nonprogrammed charges	598,453	-	-	(598,453)	
Total governmental activities	\$ 16,624,230	\$ 266,561	\$ 711,708	(15,645,961)	
General receipts:					
Property taxes				7,304,187	
Other local sources				1,059,504	
State aid				9,301,669	
Bonds and loans				692,677	
Grants and contributions not restricted to specific programs				990,223	
Investment earnings				50,452	
Other				63,066	
Transfers to pension trust funds				(400,000)	
Total general receipts and transfers				19,061,778	
Change in net assets				3,415,817	
Net assets - beginning				6,312,453	
Net assets - ending				\$ 9,728,270	
<u>Assets</u>					
Cash and investments				\$ 7,547,256	
Restricted assets:					
Cash and investments				2,181,014	
Total assets				\$ 9,728,270	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 2,181,014	
Unrestricted				7,547,256	
Total net assets				\$ 9,728,270	

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

CLARKSVILLE 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	Transportation Operating	Rainy Day Fund	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:								
Local sources	\$ 3,409,043	\$ 497,981	\$ 225,532	\$ -	\$ 2,140,220	\$ 1,757,972	\$ 618,011	\$ 8,648,759
Intermediate sources	43	-	-	-	-	-	1,031	1,074
State sources	7,224,959	-	-	-	-	-	127,495	7,352,454
Federal sources	-	-	-	797,465	-	-	858,645	1,656,110
Temporary loans	-	-	-	-	1,311,601	-	176,305	1,487,906
Interfund loans	700,000	85,118	600,000	-	992,000	930,000	86,118	3,393,236
Other	-	16,054	-	-	-	28,331	-	44,385
Total receipts	11,334,045	599,153	825,532	797,465	4,443,821	2,716,303	1,867,605	22,583,924
Disbursements:								
Current:								
Instruction	6,222,808	-	180,406	69,392	-	-	290,736	6,763,342
Support services	3,063,761	335,072	262,094	64,670	25,500	739,652	311,561	4,802,310
Noninstructional services	53,294	-	-	-	-	-	651,615	704,909
Facilities acquisition and construction	-	-	-	-	-	293,790	353,067	646,857
Debt services	1,500,000	-	-	-	2,379,935	-	347,904	4,227,839
Nonprogrammed charges	420,802	-	-	-	-	-	192,410	613,212
Interfund loans	700,000	85,118	600,000	-	830,000	1,093,000	85,118	3,393,236
Total disbursements	11,960,665	420,190	1,042,500	134,062	3,235,435	2,126,442	2,232,411	21,151,705
Excess (deficiency) of receipts over disbursements	(626,620)	178,963	(216,968)	663,403	1,208,386	589,861	(364,806)	1,432,219
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	34,187	34,187
Transfers in	-	-	1,000,000	-	-	-	200	1,000,200
Transfers out	-	-	-	-	-	(1,000,000)	(200)	(1,000,200)
Total other financing sources (uses)	-	-	1,000,000	-	-	(1,000,000)	34,187	34,187
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(626,620)	178,963	783,032	663,403	1,208,386	(410,139)	(330,619)	1,466,406
Cash and investments - beginning	1,054,708	330,902	741,468	-	107,330	1,544,329	1,067,310	4,846,047
Cash and investments - ending	<u>\$ 428,088</u>	<u>\$ 509,865</u>	<u>\$ 1,524,500</u>	<u>\$ 663,403</u>	<u>\$ 1,315,716</u>	<u>\$ 1,134,190</u>	<u>\$ 736,691</u>	<u>\$ 6,312,453</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 428,088	\$ 509,865	\$ 1,524,500	\$ 663,403	\$ -	\$ 1,134,190	\$ 560,311	\$ 4,820,357
Restricted assets:								
Cash and investments	-	-	-	-	1,315,716	-	176,380	1,492,096
Total cash and investment assets - ending	<u>\$ 428,088</u>	<u>\$ 509,865</u>	<u>\$ 1,524,500</u>	<u>\$ 663,403</u>	<u>\$ 1,315,716</u>	<u>\$ 1,134,190</u>	<u>\$ 736,691</u>	<u>\$ 6,312,453</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 1,315,716	\$ -	\$ 176,380	\$ 1,492,096
Unrestricted	428,088	509,865	1,524,500	663,403	-	1,134,190	560,311	4,820,357
Total cash and investment fund balance - ending	<u>\$ 428,088</u>	<u>\$ 509,865</u>	<u>\$ 1,524,500</u>	<u>\$ 663,403</u>	<u>\$ 1,315,716</u>	<u>\$ 1,134,190</u>	<u>\$ 736,691</u>	<u>\$ 6,312,453</u>

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

CLARKSVILLE 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	Transportation Operating	Rainy Day Fund	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:								
Local sources	\$ 320,792	\$ 727,886	\$ 50,173	\$ -	\$ 4,047,019	\$ 2,315,559	\$ 1,218,818	\$ 8,680,247
Intermediate sources	42	-	-	-	-	-	413	455
State sources	9,424,846	-	-	-	-	-	196,861	9,621,707
Federal sources	-	-	-	289,914	-	-	1,091,981	1,381,895
Temporary loans	-	-	-	-	619,797	-	72,880	692,677
Interfund loans	-	-	30,000	-	-	163,000	30,000	223,000
Other	-	13,915	1,462	-	-	47,689	-	63,066
Total receipts	9,745,680	741,801	81,635	289,914	4,666,816	2,526,248	2,610,953	20,663,047
Disbursements:								
Current:								
Instruction	4,981,429	-	199,699	746,040	-	-	441,653	6,368,821
Support services	2,372,218	409,688	351,749	206,254	-	626,388	420,984	4,387,281
Noninstructional services	40,488	-	-	1,023	-	-	686,347	727,858
Facilities acquisition and construction	-	-	-	-	-	344,274	51,334	395,608
Debt services	-	-	-	-	3,621,710	-	524,499	4,146,209
Nonprogrammed charges	550,016	-	-	-	-	-	48,437	598,453
Interfund loans	-	-	30,000	-	162,000	-	31,000	223,000
Total disbursements	7,944,151	409,688	581,448	953,317	3,783,710	970,662	2,204,254	16,847,230
Excess (deficiency) of receipts over disbursements	1,801,529	332,113	(499,813)	(663,403)	883,106	1,555,586	406,699	3,815,817
Other financing sources (uses):								
Transfers in	34,688	29,446	1,200,000	-	143,956	111,239	82,381	1,601,710
Transfers out	-	(100,000)	(327,173)	-	(500,000)	(1,000,000)	(74,537)	(2,001,710)
Total other financing sources (uses)	34,688	(70,554)	872,827	-	(356,044)	(888,761)	7,844	(400,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,836,217	261,559	373,014	(663,403)	527,062	666,825	414,543	3,415,817
Cash and investments - beginning	428,088	509,865	1,524,500	663,403	1,315,716	1,134,190	736,691	6,312,453
Cash and investments - ending	\$ 2,264,305	\$ 771,424	\$ 1,897,514	\$ -	\$ 1,842,778	\$ 1,801,015	\$ 1,151,234	\$ 9,728,270
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 2,264,305	\$ 771,424	\$ 1,897,514	\$ -	\$ -	\$ 1,801,015	\$ 812,998	\$ 7,547,256
Restricted assets:								
Cash and investments	-	-	-	-	1,842,778	-	338,236	2,181,014
Total cash and investment assets - ending	\$ 2,264,305	\$ 771,424	\$ 1,897,514	\$ -	\$ 1,842,778	\$ 1,801,015	\$ 1,151,234	\$ 9,728,270
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 1,842,778	\$ -	\$ 338,236	\$ 2,181,014
Unrestricted	2,264,305	771,424	1,897,514	-	-	1,801,015	812,998	7,547,256
Total cash and investment fund balance - ending	\$ 2,264,305	\$ 771,424	\$ 1,897,514	\$ -	\$ 1,842,778	\$ 1,801,015	\$ 1,151,234	\$ 9,728,270

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

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

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 4,264	
Excess (deficiency) of total additions over total deductions	(4,264)	
Cash and investment fund balance - beginning	62,648	
Cash and investment fund balance - ending	\$ 58,384	\$ 102,634
Net assets:		
Cash and investments	\$ 58,384	\$ 102,634
Total net assets - cash and investment basis held in trust	\$ 58,384	\$ 102,634

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

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

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Contributions:		
Employer	\$ 400,000	
Deductions:		
Benefits	<u>32,000</u>	
Excess (deficiency) of total additions over total deductions	368,000	
Cash and investment fund balance - beginning	<u>58,384</u>	
Cash and investment fund balance - ending	<u>\$ 426,384</u>	<u>\$ 939,482</u>
Net assets:		
Cash and investments	<u>\$ 426,384</u>	<u>\$ 939,482</u>
Total net assets - cash and investment basis held in trust	<u>\$ 426,384</u>	<u>\$ 939,482</u>

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

CLARKSVILLE 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: Clarksville 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 Venture

The School Corporation is a participant in a joint venture to operate Wilson Education Center which was created to provide cooperative purchasing services of supplies and equipment. The School Corporation is obligated by contract to remit an annual fee to the Wilson Education Center based upon the number of students enrolled in the School Corporation. The School Corporation paid \$7,939 to the Wilson Education Center in the fiscal year ending June 30, 2010. Complete financial statements for the Wilson Education Center can be obtained from the Wilson Education Center at 2101 Grace Avenue, Charlestown, Indiana 47111.

The School Corporation is a participant in a joint venture to operate Clark County Special Education Cooperative which was created to provide special education services to handicapped children. The School Corporation is obligated by contract to remit an annual fee based upon the School Corporations percentage of the Cooperative's approved fiscal year budget. The School Corporation's percentage of the budget is determined based upon the number of students enrolled in the School Corporation that will be provided services by the Cooperative. The School Corporation's paid \$251,823 to the Clark County Special Education Cooperative for the school year ending June 30, 2010. Complete financial statements for the Clark County Special Education Cooperative can be obtained from the Cooperative's administrative office at 2112 Utica-Sellersburg Road, Jeffersonville, Indiana 47130.

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, the School Corporation has not business-type activities.

CLARKSVILLE 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 Transportation Operating Fund accounts for financial resources for the transportation of schoolchildren to and from school.

The Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The Fiscal Stabilization Fund is used to account for federal funds received from the Department of Education under the American Recovery and Reinvestment Act.

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

The Capital Projects Fund accounts for planned construction, repair, replacement or remodeling of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

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

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

C. Measurement Focus and Basis of Accounting

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

CLARKSVILLE 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 or internal service funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

4. Capital Assets

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

CLARKSVILLE 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

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities and pension trust funds, which are reported as Transfers – Internal Activities. The effects of 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

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.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. All funds will be deposited in an approved depository. At June 30, 2010, the School Corporation had deposit balances in the amount of \$11,099,413.

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

2. Investments

Statutory Authorization for Investments

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

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

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>
Debt Service Fund	Local Rainy Day Fund	\$ -	\$ 100,000
Debt Service Fund	Pension Trust Funds	-	400,000
Local Rainy Day Fund	Debt Service Fund	-	143,957
Local Rainy Day Fund	Capital Projects Fund	-	111,239
Local Rainy Day Fund	Transportation Operating	-	29,446
Local Rainy Day Fund	Other Governmental Funds	-	42,532
Capital Projects Fund	Local Rainy Day Fund	1,000,000	1,000,000
Transportation Operating	Local Rainy Day Fund	-	100,000
Other Governmental Funds	General Fund	-	34,687
Other Governmental Funds	Other Governmental Funds	<u>200</u>	<u>39,849</u>
Totals		<u>\$ 1,000,200</u>	<u>\$ 2,001,710</u>

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

Transfers were made from the Capital Projects Fund to the Rainy Day Funds in the amount of \$1,000,000 during both the 2008-2009 and the 2009-2010 school years.

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; 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; medical benefits to employees, retirees, and dependents; 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.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The School Corporation has entered into a capital lease with Clarksville High 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 school years 2008-2009 and 2009-2010 totaled \$2,299,500 and \$2,300,000, respectively.

C. Subsequent Events

After the end of the 2009-2010 school year, the School Corporation closed George Rogers Clark Elementary School. Students who had previously attended George Rogers Clark Elementary School were transferred to Greenacres Elementary School which was subsequently renamed Clarksville Elementary School. The School Corporation estimates annual savings of around \$500,000 as a result of closing the elementary school.

In 2010, Clark County made an error when distributing taxes to the School Corporation. As a result the School Corporation received \$841,798 too much in taxes. The monies received from the erroneous tax distribution are reflected in the Corporation's financial statements in the agency funds. On October 11, 2010, the School Corporation repaid the County the excess tax distribution.

D. Termination Benefits

Teachers obtaining retirement eligibility under the State teachers' retirement guidelines, who taught continuously in the School Corporation for the last seven years, and whose salaries were paid from the General Fund were offered an early retirement incentive of \$16,000 if retiring between January 1, 2009 and June 20, 2009. Two teachers took advantage of this offer for a total payment cost of \$32,000 during the school year ending June 30, 2010.

E. Other Postemployment Benefits

In addition to the pension benefits described in Note F, the School Corporation provides postemployment retirement severance, health and life insurance benefits as authorized by IC 5-10-8, to all employees who meet the eligibility requirements as described below. Currently, fifteen retirees meet the eligibility requirements and are currently receiving benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, and June 30, 2010, disbursements of \$178,262 and \$151,767, respectively, were recognized for postemployment benefits.

Certified Employees Retiring Before August 1, 2004

Retirement benefits are granted to any teacher who has completed at least ten years of service in the School Corporation immediately prior to retirement and is at the top experience level on the current salary schedule.

The School Corporation provides healthcare benefits for ten years or until the retiree becomes eligible for Medicare (whichever occurs first). The School Corporation will pay the School Corporation's contribution in effect the year of retirement or the balance of the cost of the least expensive single medical plan provided for active employees (whichever is less). During this

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

same time period, the School Corporation will continue to provide life insurance protection to the retiree. Such life insurance shall be in an amount equal to that provided unit members and the premiums shall be paid by the School Corporation.

A retirement severance benefit is provide annually to teachers at a rate of \$2,000 per year plus \$175 per year of full-time service that is granted by the Indiana Teacher Retirement fund for seven years after retirement or until the retiree comes eligible to draw full social security benefits excluding disability benefits, whichever comes first.

Certified Employees Retiring After August 1, 2004

Certified employees and spouses are allowed to participate in the School Corporation's group health insurance plan until the retiree or spouse becomes eligible for Medicare. The full cost of the insurance premium is payable by the retiree in monthly installments to the School Corporation.

Classified Employees Retiring Before August 1, 2004

Classified employees who have at least twenty-five years of experience in the School Corporation and who are paid on a salary schedule where the difference between the annual salary of an entry level person and the highest paid person in the position is at least the amount of the School Corporation's annual contribution toward the cost of a single policy premium per year are eligible to continue on the Corporation's health insurance policy and may elect to continue his/her life insurance. The School Corporation will continue paying the same dollar amount of the premium for health insurance as the Corporation was paying during the last year of employment and will continue paying the premium for life insurance. Both options will expire when the retiree qualifies for Medicare coverage.

A retirement severance benefit is provided annually to classified employees at a rate of \$500 per year plus \$50 per year of full-time employment with the School Corporation until the retiree comes eligible for full social security benefits.

Classified Employees Retiring After August 1, 2004

Full-time classified employees with ten years of continuous service with the School Corporation and who are eligible for PERF benefits are provided a retirement severance benefit of \$75 times the number of years of service employed in the School Corporation upon retirement and \$55 times the number of accumulated sick days.

Full-time classified employees with fifteen years of continuous service with the School Corporation upon retirement are provided a retirement severance benefit of 15% of his/her salary for the last year of employment prior to retirement and \$55 times the number of accumulated sick days.

Classified employees who have at least twenty years of continuous service with the School Corporation and are at least fifty-five years of age are provided a choice of retirement severance benefit as follows:

Option 1: A retirement severance benefit equal to twenty percent of his/her salary for the last year of employment. Payment for accumulated sick days at a rate of \$55 times the number of accumulated sick days. The School Corporation will pay the retiree annually for a period of

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

seven years or until the retiree becomes eligible to draw full social security benefits excluding disability (whichever occurs first) \$500 per year plus \$75 per year of each full-time employment with the corporation.

Option 2: A retirement severance benefit equal to ten percent of his/her salary for the last year of employment. Payment for accumulated sick days at a rate of \$55 times the number of accumulated sick days. The School Corporation will pay the retiree annually for a period of seven years or until the retiree becomes eligible to draw full social security benefits excluding disability (whichever occurs first) \$500 per year plus \$75 per year of each full-time employment with the corporation. The School Corporation will continue paying the same dollar amount of the premium for health insurance as the Corporation was paying during the last year of employment for two continuous years.

Classified employees who have at least twenty-five years of continuous service with the School Corporation and are at least fifty-five years of age are provided a retirement severance benefit at a rate of \$500 per year plus \$75 per year of each full-time employment with the corporation for seven years or until the retiree becomes eligible to draw full social security benefits excluding disability (whichever occurs first). A severance benefit is paid upon retirement equal to twenty percent of his/her salary for the last year of employment prior to retirement. The School Corporation provides healthcare benefits at the same dollar amount of the premium for health insurance as the corporation was paying during the last year of employment and will continue paying the premium for life insurance coverage until the employee qualifies for Medicare coverage or five years (whichever occurs first).

F. 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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 for the period ending June 30, 2010, were \$404,374.

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

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 two-year period ended June 30, 2010, were \$885,776.

CLARKSVILLE 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 1,932,163	\$ 2,384,249	\$ (452,086)	81%	\$ 1,638,819	(28%)
07-01-08	1,955,172	2,481,090	(525,918)	79%	1,701,354	(31%)
07-01-09	1,495,443	2,319,827	(824,384)	64%	1,663,967	(50%)

CLARKSVILLE 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

	Special Education Preschool Cooperative	School Lunch	Textbook Rental	Education License Plates	Alternative Education Grant	High Ability Grant
Receipts:						
Local sources	\$ 9,276	\$ 253,769	\$ 75,930	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	1,031	-	-
State sources	52,161	5,125	25,332	-	-	31,533
Federal sources	-	368,321	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	15,118	-	-	-
Total receipts	61,437	627,215	116,380	1,031	-	31,533
Disbursements:						
Current:						
Instruction	-	-	-	-	-	51,045
Support services	-	272	92,738	-	-	-
Noninstructional services	-	645,639	-	1,088	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	192,410	-	-	-	-	-
Interfund loans	-	-	15,118	-	-	-
Total disbursements	192,410	645,911	107,856	1,088	-	51,045
Excess (deficiency) of receipts over disbursements	(130,973)	(18,696)	8,524	(57)	-	(19,512)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(200)
Total other financing sources (uses)	-	-	-	-	-	(200)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(130,973)	(18,696)	8,524	(57)	-	(19,712)
Cash and investments - beginning	181,958	96,781	1,871	300	1,628	23,859
Cash and investments - ending	\$ 50,985	\$ 78,085	\$ 10,395	\$ 243	\$ 1,628	\$ 4,147
Cash and Investment Assets - Ending						
Cash and investments	\$ 50,985	\$ 78,085	\$ 10,395	\$ 243	\$ 1,628	\$ 4,147
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 50,985	\$ 78,085	\$ 10,395	\$ 243	\$ 1,628	\$ 4,147
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	50,985	78,085	10,395	243	1,628	4,147
Total cash and investment fund balance - ending	\$ 50,985	\$ 78,085	\$ 10,395	\$ 243	\$ 1,628	\$ 4,147

CLARKSVILLE 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)

	G/T Grant FY 07	G/T Grant FY 06	Medicaid Reimbursement	NESP Grant	Title I FY 09	Title I FY 08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	5,112	6,896	-	-
Federal sources	-	-	-	-	296,575	25,000
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	5,112	6,896	296,575	25,000
Disbursements:						
Current:						
Instruction	-	-	-	-	192,909	43,862
Support services	-	-	-	7,152	42,232	2,297
Noninstructional services	-	-	-	346	2,862	1,680
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	-	7,498	238,003	47,839
Excess (deficiency) of receipts over disbursements	-	-	5,112	(602)	58,572	(22,839)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	115	85	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	115	85	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	115	85	5,112	(602)	58,572	(22,839)
Cash and investments - beginning	(115)	(85)	22,100	7,497	-	62,688
Cash and investments - ending	\$ -	\$ -	\$ 27,212	\$ 6,895	\$ 58,572	\$ 39,849
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 27,212	\$ 6,895	\$ 58,572	\$ 39,849
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 27,212	\$ 6,895	\$ 58,572	\$ 39,849
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	27,212	6,895	58,572	39,849
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 27,212	\$ 6,895	\$ 58,572	\$ 39,849

CLARKSVILLE 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 V FY 07	Title IV FY 07	Medicaid Reimbursement Federal	Hurricane Recovery Grant	Title II FY 07	Title III ESL
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	1,336
Federal sources	1,450	6,312	8,590	-	85,397	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	1,450	6,312	8,590	-	85,397	1,336
Disbursements:						
Current:						
Instruction	-	-	2,039	-	-	881
Support services	2,604	1,494	-	-	56,110	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	500	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	2,604	1,494	2,539	-	56,110	881
Excess (deficiency) of receipts over disbursements	(1,154)	4,818	6,051	-	29,287	455
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,154)	4,818	6,051	-	29,287	455
Cash and investments - beginning	2,589	3,718	18,539	24,000	(11,263)	348
Cash and investments - ending	\$ 1,435	\$ 8,536	\$ 24,590	\$ 24,000	\$ 18,024	\$ 803
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,435	\$ 8,536	\$ 24,590	\$ 24,000	\$ 18,024	\$ 803
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,435	\$ 8,536	\$ 24,590	\$ 24,000	\$ 18,024	\$ 803
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,435	8,536	24,590	24,000	18,024	803
Total cash and investment fund balance - ending	\$ 1,435	\$ 8,536	\$ 24,590	\$ 24,000	\$ 18,024	\$ 803

CLARKSVILLE 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 I Stimulus	Retirement Severance Bond Debt Service	School Bus Replacement	Construction	Totals
Receipts:					
Local sources	\$ -	\$ 263,623	\$ 15,413	\$ -	\$ 618,011
Intermediate sources	-	-	-	-	1,031
State sources	-	-	-	-	127,495
Federal sources	67,000	-	-	-	858,645
Temporary loans	-	176,305	-	-	176,305
Interfund loans	-	71,000	-	-	86,118
Total receipts	67,000	510,928	15,413	-	1,867,605
Disbursements:					
Current:					
Instruction	-	-	-	-	290,736
Support services	-	-	106,662	-	311,561
Noninstructional services	-	-	-	-	651,615
Facilities acquisition and construction	-	-	-	352,567	353,067
Debt services	-	347,904	-	-	347,904
Nonprogrammed charges	-	-	-	-	192,410
Interfund loans	-	70,000	-	-	85,118
Total disbursements	-	417,904	106,662	352,567	2,232,411
Excess (deficiency) of receipts over disbursements	67,000	93,024	(91,249)	(352,567)	(364,806)
Other financing sources (uses):					
Sale of capital assets	-	-	-	34,187	34,187
Transfers in	-	-	-	-	200
Transfers out	-	-	-	-	(200)
Total other financing sources (uses)	-	-	-	34,187	34,187
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67,000	93,024	(91,249)	(318,380)	(330,619)
Cash and investments - beginning	-	83,356	105,542	441,999	1,067,310
Cash and investments - ending	<u>\$ 67,000</u>	<u>\$ 176,380</u>	<u>\$ 14,293</u>	<u>\$ 123,619</u>	<u>\$ 736,691</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 67,000	\$ -	\$ 14,293	\$ 123,619	\$ 560,311
Restricted assets:					
Cash and investments	-	176,380	-	-	176,380
Total cash and investment assets - ending	<u>\$ 67,000</u>	<u>\$ 176,380</u>	<u>\$ 14,293</u>	<u>\$ 123,619</u>	<u>\$ 736,691</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ 176,380	\$ -	\$ -	\$ 176,380
Unrestricted	67,000	-	14,293	123,619	560,311
Total cash and investment fund balance - ending	<u>\$ 67,000</u>	<u>\$ 176,380</u>	<u>\$ 14,293</u>	<u>\$ 123,619</u>	<u>\$ 736,691</u>

CLARKSVILLE 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

	Special Education Preschool Cooperative	School Lunch	Textbook Rental	Education License Plates	Alternative Education Grant	High Ability Grant
Receipts:						
Local sources	\$ 515	\$ 259,469	\$ 60,726	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	413	-	-
State sources	31,625	4,811	66,252	-	-	31,012
Federal sources	-	451,728	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	30,000	-	-	-
Total receipts	32,140	716,008	156,978	413	-	31,012
Disbursements:						
Current:						
Instruction	-	-	-	-	-	31,518
Support services	-	685	88,515	-	-	-
Noninstructional services	-	679,422	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	48,437	-	-	-	-	-
Interfund loans	-	-	30,000	-	-	-
Total disbursements	48,437	680,107	118,515	-	-	31,518
Excess (deficiency) of receipts over disbursements	(16,297)	35,901	38,463	413	-	(506)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(34,688)	-	-	-	-	-
Total other financing sources (uses)	(34,688)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,985)	35,901	38,463	413	-	(506)
Cash and investments - beginning	50,985	78,085	10,395	243	1,628	4,147
Cash and investments - ending	\$ -	\$ 113,986	\$ 48,858	\$ 656	\$ 1,628	\$ 3,641
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 113,986	\$ 48,858	\$ 656	\$ 1,628	\$ 3,641
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 113,986	\$ 48,858	\$ 656	\$ 1,628	\$ 3,641
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	113,986	48,858	656	1,628	3,641
Total cash and investment fund balance - ending	\$ -	\$ 113,986	\$ 48,858	\$ 656	\$ 1,628	\$ 3,641

CLARKSVILLE 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)

	Medicaid Reimbursement	NESP Grant	Excess PTRC	Title I	Title I FY 08	Title V FY 07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	9,680	7,511	44,695	-	-	-
Federal sources	-	-	-	313,982	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	9,680	7,511	44,695	313,982	-	-
Disbursements:						
Current:						
Instruction	-	-	-	269,850	-	-
Support services	-	11,251	-	15,786	-	1,435
Noninstructional services	-	-	-	6,925	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	11,251	-	292,561	-	1,435
Excess (deficiency) of receipts over disbursements	9,680	(3,740)	44,695	21,421	-	(1,435)
Other financing sources (uses):						
Transfers in	-	-	-	39,849	-	-
Transfers out	-	-	-	-	(39,849)	-
Total other financing sources (uses)	-	-	-	39,849	(39,849)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,680	(3,740)	44,695	61,270	(39,849)	(1,435)
Cash and investments - beginning	27,212	6,895	-	58,572	39,849	1,435
Cash and investments - ending	\$ 36,892	\$ 3,155	\$ 44,695	\$ 119,842	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 36,892	\$ 3,155	\$ 44,695	\$ 119,842	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 36,892	\$ 3,155	\$ 44,695	\$ 119,842	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	36,892	3,155	44,695	119,842	-	-
Total cash and investment fund balance - ending	\$ 36,892	\$ 3,155	\$ 44,695	\$ 119,842	\$ -	\$ -

CLARKSVILLE 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)

	Title IV FY 07	Medicaid Reimbursement Federal	Hurricane Recovery Grant	Title II FY 07	Title III ESL	Title I Stimulus
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	1,275	-
Federal sources	9,380	16,264	-	70,321	-	30,819
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>9,380</u>	<u>16,264</u>	<u>-</u>	<u>70,321</u>	<u>1,275</u>	<u>30,819</u>
Disbursements:						
Current:						
Instruction	-	4,136	24,000	-	745	-
Support services	5,971	-	-	58,951	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	2,676	-	-	-	48,658
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>5,971</u>	<u>6,812</u>	<u>24,000</u>	<u>58,951</u>	<u>745</u>	<u>48,658</u>
Excess (deficiency) of receipts over disbursements	<u>3,409</u>	<u>9,452</u>	<u>(24,000)</u>	<u>11,370</u>	<u>530</u>	<u>(17,839)</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>3,409</u>	<u>9,452</u>	<u>(24,000)</u>	<u>11,370</u>	<u>530</u>	<u>(17,839)</u>
Cash and investments - beginning	<u>8,536</u>	<u>24,590</u>	<u>24,000</u>	<u>18,024</u>	<u>803</u>	<u>67,000</u>
Cash and investments - ending	<u>\$ 11,945</u>	<u>\$ 34,042</u>	<u>\$ -</u>	<u>\$ 29,394</u>	<u>\$ 1,333</u>	<u>\$ 49,161</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 11,945	\$ 34,042	\$ -	\$ 29,394	\$ 1,333	\$ 49,161
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 11,945</u>	<u>\$ 34,042</u>	<u>\$ -</u>	<u>\$ 29,394</u>	<u>\$ 1,333</u>	<u>\$ 49,161</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>11,945</u>	<u>34,042</u>	<u>-</u>	<u>29,394</u>	<u>1,333</u>	<u>49,161</u>
Total cash and investment fund balance - ending	<u>\$ 11,945</u>	<u>\$ 34,042</u>	<u>\$ -</u>	<u>\$ 29,394</u>	<u>\$ 1,333</u>	<u>\$ 49,161</u>

CLARKSVILLE 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)

	Special Ed Part B Stimulus	Retirement Severance Bond Debt Service	School Bus Replacement	Construction	Totals
Receipts:					
Local sources	\$ -	\$ 594,845	\$ 303,263	\$ -	\$ 1,218,818
Intermediate sources	-	-	-	-	413
State sources	-	-	-	-	196,861
Federal sources	199,487	-	-	-	1,091,981
Temporary loans	-	72,880	-	-	72,880
Interfund loans	-	-	-	-	30,000
Total receipts	<u>199,487</u>	<u>667,725</u>	<u>303,263</u>	<u>-</u>	<u>2,610,953</u>
Disbursements:					
Current:					
Instruction	111,404	-	-	-	441,653
Support services	87,997	-	150,393	-	420,984
Noninstructional services	-	-	-	-	686,347
Facilities acquisition and construction	-	-	-	-	51,334
Debt services	-	524,499	-	-	524,499
Nonprogrammed charges	-	-	-	-	48,437
Interfund loans	-	1,000	-	-	31,000
Total disbursements	<u>199,401</u>	<u>525,499</u>	<u>150,393</u>	<u>-</u>	<u>2,204,254</u>
Excess (deficiency) of receipts over disbursements	<u>86</u>	<u>142,226</u>	<u>152,870</u>	<u>-</u>	<u>406,699</u>
Other financing sources (uses):					
Transfers in	-	19,630	22,902	-	82,381
Transfers out	-	-	-	-	(74,537)
Total other financing sources (uses)	<u>-</u>	<u>19,630</u>	<u>22,902</u>	<u>-</u>	<u>7,844</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>86</u>	<u>161,856</u>	<u>175,772</u>	<u>-</u>	<u>414,543</u>
Cash and investments - beginning	<u>-</u>	<u>176,380</u>	<u>14,293</u>	<u>123,619</u>	<u>736,691</u>
Cash and investments - ending	<u>\$ 86</u>	<u>\$ 338,236</u>	<u>\$ 190,065</u>	<u>\$ 123,619</u>	<u>\$ 1,151,234</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 86	\$ -	\$ 190,065	\$ 123,619	\$ 812,998
Restricted assets:					
Cash and investments	-	338,236	-	-	338,236
Total cash and investment assets - ending	<u>\$ 86</u>	<u>\$ 338,236</u>	<u>\$ 190,065</u>	<u>\$ 123,619</u>	<u>\$ 1,151,234</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ 338,236	\$ -	\$ -	\$ 338,236
Unrestricted	<u>86</u>	<u>-</u>	<u>190,065</u>	<u>123,619</u>	<u>812,998</u>
Total cash and investment fund balance - ending	<u>\$ 86</u>	<u>\$ 338,236</u>	<u>\$ 190,065</u>	<u>\$ 123,619</u>	<u>\$ 1,151,234</u>

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Retirement/ Severance Bond</u>
Deductions:	
Benefits	\$ 4,264
Excess (deficiency) of total additions over total deductions	(4,264)
Cash and investment fund balance - beginning	<u>62,648</u>
Cash and investment fund balance - ending	<u>\$ 58,384</u>
Net assets:	
Cash and investments	<u>\$ 58,384</u>
Total net assets - cash and investment basis held in trust	<u>\$ 58,384</u>

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2010

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 400,000	\$ 400,000
Deductions:			
Benefits	32,000	-	32,000
Excess (deficiency) of total additions over total deductions	(32,000)	400,000	368,000
Cash and investment fund balance - beginning	58,384	-	58,384
Cash and investment fund balance - ending	\$ 26,384	\$ 400,000	\$ 426,384
Net assets:			
Cash and investments	\$ 26,384	\$ 400,000	\$ 426,384
Total net assets - cash and investment basis held in trust	\$ 26,384	\$ 400,000	\$ 426,384

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Payroll
Additions:	
Agency fund additions	<u>\$ 2,408,613</u>
Deductions:	
Agency fund deductions	<u>2,405,765</u>
Excess (deficiency) of total additions over total deductions	2,848
Cash and investment fund balance - beginning	<u>99,786</u>
Cash and investment fund balance - ending	<u><u>\$ 102,634</u></u>

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	Payroll	Funds Due County	Totals
Additions:			
Agency fund additions	\$ 2,217,194	\$ 841,798	\$ 3,058,992
Deductions:			
Agency fund deductions	2,222,144	-	2,222,144
Excess (deficiency) of total additions over total deductions	(4,950)	841,798	836,848
Cash and investment fund balance - beginning	102,634	-	102,634
Cash and investment fund balance - ending	\$ 97,684	\$ 841,798	\$ 939,482

CLARKSVILLE 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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 544,775
Infrastructure	137,200
Buildings	34,563,631
Improvements other than buildings	<u>530,572</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 35,776,178</u>

CLARKSVILLE 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:		
Clarksville High School	\$ 8,260,000	\$ 730,000
Clarksville Elementary School	8,200,000	418,978
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>2,135,000</u>	<u>175,199</u>
Total governmental activities debt	<u>\$ 18,595,000</u>	<u>\$ 1,324,177</u>

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS - SEGREGATION OF DUTIES

The School Corporation does not have adequate segregation of accounting duties or compensating controls in place as described below:

The Treasurer is responsible for writing receipts; making deposits; writing vendor checks; recording receipts and vendor checks in the ledger; entering adjustment/correction transactions to the ledger; reconciling ledger reports within the accounting application system in order to ensure all activity is properly posted throughout the accounting application system; and performing month end bank reconciliations.

The Deputy Treasurer is responsible for processing payroll which includes the calculation of payroll and payroll withholding amounts; writing payroll checks; processing payroll direct deposits; writing payroll withholding checks; and creating new employee records and the applicable pay rates in the computerized payroll system.

The failure to establish segregation of accounting duties or compensating controls could enable material misstatements or irregularities to go undetected. We consider the above internal control deficiency to be a material weakness over financial transactions and reporting.

The lack of segregation of duties is caused by the School Corporation having a small staff that limits the School Corporation's ability to segregate accounting functions.

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)

A similar comment was included in prior Report B34504.

ACCOUNTING FOR PREPAID MEALS

Financial activity pertaining to the school lunch program was not being properly recorded and reconciled in the financial records.

The School Corporation records prepayment on account from students and staff as cash sales in the School Lunch Fund. Unused prepayment balances are included in the School Lunch Fund balance instead of being recognized as monies being held in a separate fund as prescribed.

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, 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)

A similar comment was included in prior Report B34504.

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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 CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

Compliance

We have audited the compliance of the Clarksville 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

February 10, 2011

CLARKSVILLE 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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553		\$ 100,125	\$ -
		FY 08-09	-	-
		FY 09-10	-	113,816
National School Lunch Program	10.555		311,571	-
		FY 08-09	-	-
		FY 09-10	-	374,452
Total for cluster			<u>411,696</u>	<u>488,268</u>
Total for federal grantor agency			<u>411,696</u>	<u>488,268</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010		47,839	-
		08-1000	238,003	53,938
		09-1000	-	-
		10-1000	-	238,622
Total for program			<u>285,842</u>	<u>292,560</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		-	48,658
		10-1000	-	-
Total for cluster			<u>285,842</u>	<u>341,218</u>
Pass-Through Greater Clark County Schools Special Education Cluster ARRA - Special Education - Grants to States, Recovery Act	84.391		-	199,401
		33310-022-SN01	-	-
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		134,062	-
		FY 07-08	-	-
		FY 08-09	-	953,317
Total for cluster			<u>134,062</u>	<u>953,317</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186		230	-
		FY 06-07	1,264	5,712
		FY 07-08	-	258
		FY 08-09	-	-
Total for program			<u>1,494</u>	<u>5,970</u>
State Grants for Innovative Programs	84.298		1,465	1,434
		FY 07-08	1,138	-
		FY 08-09	-	-
Total for program			<u>2,603</u>	<u>1,434</u>
Pass-Through Wilson Education Center English Language Acquisition Grants	84.365		881	51
		FY 07-08	-	695
		FY 08-09	-	-
Total for program			<u>881</u>	<u>746</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367		54,347	2,123
		07-1000	1,763	56,828
		08-1000	-	-
Total for program			<u>56,110</u>	<u>58,951</u>
Hurricane Education Recovery	84.938		-	24,000
		FY 06-07	-	-
Total for federal grantor agency			<u>480,992</u>	<u>1,585,037</u>
Total federal awards expended			<u>\$ 892,688</u>	<u>\$ 2,073,305</u>

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

CLARKSVILLE 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 Clarksville 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. 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	\$ 9,633	\$ 9,398
National School Lunch Program	10.555	29,991	30,893

CLARKSVILLE 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?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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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
Special Education 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
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CLARKSVILLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II - Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS - SEGREGATION OF DUTIES

The School Corporation does not have adequate segregation of accounting duties or compensating controls in place as described below:

The Treasurer is responsible for writing receipts; making deposits; writing vendor checks; recording receipts and vendor checks in the ledger; entering adjustment/correction transactions to the ledger; reconciling ledger reports within the accounting application system in order to ensure all activity is properly posted throughout the accounting application system; and performing month end bank reconciliations.

The Deputy Treasurer is responsible for processing payroll which includes the calculation of payroll and payroll withholding amounts; writing payroll checks; processing payroll direct deposits; writing payroll withholding checks; and creating new employee records and the applicable pay rates in the computerized payroll system.

Segregation of duties is the concept of having different people do different tasks within the organization. Compensating controls are safeguards put in place to mitigate the effects of the lack of segregation of duties. The failure to establish these controls could enable material misstatements or irregularities to go undetected. We consider the above internal control deficiency to be a material weakness over financial transactions and reporting.

The lack of segregation of duties is caused by the School Corporation having a small staff that limits the School Corporation's ability to segregate accounting functions.

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)

We recommended that the School Corporation Officials either enhance segregation of accounting duties or implement compensating controls.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION

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Office of Superintendent
kknott@csc.k12.in.us

Phone: 812-282-7753
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CORRECTIVE ACTION PLAN

Finding Number 2010-1, Internal Controls, Segregation of Duties

Contact Person:	Kimberly A. Knott, Ed.D.
Title:	Superintendent of Schools
Phone Number:	812-282-7753
Expected Completion Date:	June 2012

The purpose of this document is to serve as an attachment and response to the Clarksville Community School Corporation Audit, completed in February of 2011.

On behalf of the Clarksville Community School Corporation Board of School Trustees and the Clarksville staff, I thank the auditors for their time and expertise in conducting this audit. Many positive comments were shared regarding our fiscal operations, and for that, I am grateful.

Finding Number 2010-1, Internal Controls, Segregation of Duties

As was the case in years past, the 2011 audit questioned the segregation of duties of the Treasurer and Deputy Treasurer; thereby, creating concern for risk management issues that may arise. The purpose of this response is to provide a corrective action plan for addressing this concern as noted on the Federal portion of the Audit.

Clarksville School Corporation has a small administrative staff in central office; therefore, making it difficult to segregate the duties of the Treasurer and Deputy Treasurer. However, the Corporation plans to review the current procedures to determine specific steps that can be implemented to improve internal controls and minimize unnecessary risks in financial reporting.

We appreciate the assistance from the State Board of Accounts in bringing resolution to this concern.

Respectfully,


Kimberly A. Knott, Ed.D.
Superintendent of Schools

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 10, 2011, with Judith N. Sanderson, Treasurer; William P. Wilson, President of the School Board; and Dr. Kimberly Knott, Superintendent of Schools. The official response has been made a part of this report and may be found on page 51.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION

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Memorandum

To: Melissa Hayes

From: Kimberly A. Knott 

Re: Official Response to State Audit Results
Internal Controls Segregation of Duties
Accounting for Prepaid Meals

Date: February 22, 2011

The purpose of this document is to serve as an attachment and response to the Clarksville Community School Corporation Audit, completed in February of 2011.

On behalf of the Clarksville Community School Corporation Board of School Trustees and the Clarksville staff, I thank the auditors for their time and expertise in conducting this audit. Many positive comments were shared regarding our fiscal operations, and for that, I am grateful.

Issue One- Internal Controls, Segregation of Duties

As was the case in years past, the 2011 audit questioned the segregation of duties of the Treasurer and Deputy Treasurer; thereby, creating concern for risk management issues that may arise. The purpose of this response is to provide a plan for addressing this concern.

Clarksville School Corporation has a small administrative staff in central office; therefore, making it difficult to segregate the duties of the Treasurer and Deputy Treasurer. However, the Corporation plans to review the current procedures to determine specific steps that can be implemented to improve internal controls and minimize unnecessary risks in financial reporting.

Issue Two- Accounting for Prepaid Meals

Clearing account number 8400 will be established to comply with the State Board of Accounts reporting of pre-paid meals. A transfer shall be completed at each month's end to the appropriate meal account for which the expense was incurred.