

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

AUDIT REPORT

OF

BROWN COUNTY SCHOOLS

BROWN COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED
03/16/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carol Sue Owens	07-01-08 to 06-30-11
Superintendent of Schools	David Shaffer	07-01-08 to 06-30-13
President of the School Board	Teresa Waltman John Mills	07-01-08 to 06-30-10 07-01-10 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 BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated March 8, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 Result and Comment 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

March 8, 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 BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown County Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

The School Corporation's response to the findings 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.

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

March 8, 2011

BROWN COUNTY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,706,031	\$ -	\$ 326,026	\$ (10,380,005)
Support services	8,234,098	669,481	586,294	(6,978,323)
Noninstructional services	1,175,505	-	-	(1,175,505)
Facilities acquisition and construction	797,939	-	-	(797,939)
Debt service	17,273,822	-	-	(17,273,822)
Nonprogrammed charges	117,861	-	-	(117,861)
Total governmental activities	<u>\$ 38,305,256</u>	<u>\$ 669,481</u>	<u>\$ 912,320</u>	<u>(36,723,455)</u>
General receipts:				
Property taxes				8,928,194
Other local sources				1,175,671
State aid				9,411,103
Bonds and loans				7,991,104
Grants and contributions not restricted to specific programs				1,955,981
Investment earnings				281,308
Other				102,477
Total general receipts				<u>29,845,838</u>
Change in net assets				(6,877,617)
Net assets - beginning				<u>11,237,438</u>
Net assets - ending				<u>\$ 4,359,821</u>
<u>Assets</u>				
Cash and investments				\$ 4,269,653
Restricted assets:				
Cash and investments				<u>90,168</u>
Total assets				<u>\$ 4,359,821</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 48,001
Other purposes				42,167
Unrestricted				<u>4,269,653</u>
Total net assets				<u>\$ 4,359,821</u>

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

BROWN COUNTY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 9,974,757	\$ -	\$ 254,243	\$ (9,720,514)
Support services	7,491,677	612,228	692,488	(6,186,961)
Noninstructional services	1,122,245	-	-	(1,122,245)
Facilities acquisition and construction	1,566,039	-	-	(1,566,039)
Debt service	12,477,646	-	-	(12,477,646)
Nonprogrammed charges	30,137	-	-	(30,137)
Total governmental activities	<u>\$ 32,662,501</u>	<u>\$ 612,228</u>	<u>\$ 946,731</u>	<u>(31,103,542)</u>
General receipts:				
Property taxes				23,161,218
Other local sources				3,040,820
State aid				12,241,749
Bonds and loans				3,724,211
Grants and contributions not restricted to specific programs				2,104,663
Investment earnings				24,937
Other				169,846
Total general receipts				<u>44,467,444</u>
Change in net assets				13,363,902
Net assets - beginning				<u>4,359,819</u>
Net assets - ending				<u>\$ 17,723,721</u>
<u>Assets</u>				
Cash and investments				\$ 17,121,824
Restricted assets:				
Cash and investments				<u>601,897</u>
Total assets				<u>\$ 17,723,721</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 426,955
Other purposes				174,942
Unrestricted				<u>17,121,824</u>
Total net assets				<u>\$ 17,723,721</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 5,096,510	\$ 1,592,954	\$ 839,279	\$ 2,410,284	\$ 1,114,346	\$ 11,053,373
Intermediate sources	340	-	-	-	938	1,278
State sources	9,595,869	-	-	-	232,844	9,828,713
Federal sources	-	-	-	-	2,450,694	2,450,694
Temporary loans	-	336,098	1,368,326	237,666	49,014	1,991,104
Interfund loans	819,111	-	702,130	-	405,580	1,926,821
Other	-	-	-	56,842	45,635	102,477
Total receipts	15,511,830	1,929,052	2,909,735	2,704,792	4,299,051	27,354,460
Disbursements:						
Current:						
Instruction	8,830,914	-	-	-	1,875,117	10,706,031
Support services	4,583,379	1,934,479	5,579	878,375	832,286	8,234,098
Noninstructional services	176,866	-	-	-	998,639	1,175,505
Facilities acquisition and construction	-	192	-	797,747	-	797,939
Debt services	11,774,846	527,000	2,972,935	1,745,853	253,188	17,273,822
Nonprogrammed charges	135,406	-	-	-	6,752	142,158
Interfund loans	1,100,439	-	539,546	-	286,836	1,926,821
Total disbursements	26,601,850	2,461,671	3,518,060	3,421,975	4,252,818	40,256,374
Excess (deficiency) of receipts over disbursements	(11,090,020)	(532,619)	(608,325)	(717,183)	46,233	(12,901,914)
Other financing sources (uses):						
Proceeds of long-term debt	5,500,000	500,000	-	-	-	6,000,000
Transfers in	1,472	-	-	-	3,150	4,622
Transfers out	-	-	-	-	(4,622)	(4,622)
Total other financing sources (uses)	5,501,472	500,000	-	-	(1,472)	6,000,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,588,548)	(32,619)	(608,325)	(717,183)	44,761	(6,901,914)
Cash and investments - beginning	7,067,034	904,442	608,326	1,757,983	881,783	11,219,568
Cash and investments - ending	<u>\$ 1,478,486</u>	<u>\$ 871,823</u>	<u>\$ 1</u>	<u>\$ 1,040,800</u>	<u>\$ 926,544</u>	<u>4,317,654</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>42,167</u>
Net assets of governmental activities						<u>\$ 4,359,821</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,478,486	\$ 871,823	\$ -	\$ 1,040,800	\$ 878,544	\$ 4,269,653
Restricted assets:						
Cash and investments	-	-	1	-	48,000	48,001
Total cash and investment assets - ending	<u>\$ 1,478,486</u>	<u>\$ 871,823</u>	<u>\$ 1</u>	<u>\$ 1,040,800</u>	<u>\$ 926,544</u>	<u>\$ 4,317,654</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 1	\$ -	\$ 48,000	\$ 48,001
Unrestricted	1,478,486	871,823	-	1,040,800	878,544	4,269,653
Total cash and investment fund balance - ending	<u>\$ 1,478,486</u>	<u>\$ 871,823</u>	<u>\$ 1</u>	<u>\$ 1,040,800</u>	<u>\$ 926,544</u>	<u>\$ 4,317,654</u>

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

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

	General	Transportation Operating	Local Rainy Day Fund	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 6,498,817	\$ 5,765,760	\$ -	\$ 7,181,383	\$ 5,719,192	\$ 1,673,333	\$ 26,838,485
Intermediate sources	340	-	-	-	-	375	715
State sources	12,445,200	-	-	-	-	379,430	12,824,630
Federal sources	-	-	-	-	11,500	2,457,015	2,468,515
Temporary loans	-	-	-	-	568,283	-	568,283
Interfund loans	281,328	-	-	-	-	120,108	401,436
Other	14,519	1,804	-	1,169	148,162	4,193	169,847
Total receipts	19,240,204	5,767,564	-	7,182,552	6,447,137	4,634,454	43,271,911
Disbursements:							
Current:							
Instruction	8,058,500	-	242,020	-	-	1,674,237	9,974,757
Support services	3,738,168	1,983,062	83,993	500	1,116,215	569,739	7,491,677
Noninstructional services	158,657	-	-	-	-	963,588	1,122,245
Facilities acquisition and construction	-	22,123	231,362	-	882,374	430,180	1,566,039
Debt services	4,898,154	1,370,098	-	3,614,717	2,156,813	437,864	12,477,646
Nonprogrammed charges	143,498	-	-	-	-	19,414	162,912
Interfund loans	-	-	-	155,311	-	246,125	401,436
Total disbursements	16,996,977	3,375,283	557,375	3,770,528	4,155,402	4,341,147	33,196,712
Excess (deficiency) of receipts over disbursements	2,243,227	2,392,281	(557,375)	3,412,024	2,291,735	293,307	10,075,199
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	3,155,928	3,155,928
Transfers in	315,975	-	3,600,000	-	400,000	5,180	4,321,155
Transfers out	-	-	(85,000)	(3,045,270)	-	(1,190,885)	(4,321,155)
Total other financing sources (uses)	315,975	-	3,515,000	(3,045,270)	400,000	1,970,223	3,155,928
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,559,202	2,392,281	2,957,625	366,754	2,691,735	2,263,530	13,231,127
Cash and investments - beginning	1,478,486	871,824	-	-	1,040,799	926,543	4,317,652
Cash and investments - ending	<u>\$ 4,037,688</u>	<u>\$ 3,264,105</u>	<u>\$ 2,957,625</u>	<u>\$ 366,754</u>	<u>\$ 3,732,534</u>	<u>\$ 3,190,073</u>	17,548,779
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							<u>174,942</u>
Net assets of governmental activities							<u>\$ 17,723,721</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,037,688	\$ 3,264,105	\$ 2,957,625	\$ -	\$ 3,732,534	\$ 3,129,872	\$ 17,121,824
Restricted assets:							
Cash and investments	-	-	-	366,754	-	60,201	426,955
Total cash and investment assets - ending	\$ 4,037,688	\$ 3,264,105	\$ 2,957,625	\$ 366,754	\$ 3,732,534	\$ 3,190,073	\$ 17,548,779
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 366,754	\$ -	\$ 60,201	\$ 426,955
Unrestricted	4,037,688	3,264,105	2,957,625	-	3,732,534	3,129,872	17,121,824
Total cash and investment fund balance - ending	\$ 4,037,688	\$ 3,264,105	\$ 2,957,625	\$ 366,754	\$ 3,732,534	\$ 3,190,073	\$ 17,548,779

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

BROWN COUNTY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 2,540,033
Miscellaneous	<u>36,746</u>
Total operating receipts	<u>2,576,779</u>
Operating disbursements:	
Insurance claims and expense	2,495,832
Other	<u>56,650</u>
Total operating disbursements	<u>2,552,482</u>
Excess of operating receipts over operating disbursements	24,297
Cash and investment fund balance - beginning	<u>17,870</u>
Cash and investment fund balance - ending	<u>\$ 42,167</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 42,167</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 42,167</u>

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

BROWN COUNTY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2010

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 2,393,572
Miscellaneous	<u>99,798</u>
Total operating receipts	<u>2,493,370</u>
Operating disbursements:	
Insurance claims and expense	2,301,697
Other	<u>58,898</u>
Total operating disbursements	<u>2,360,595</u>
Excess of operating receipts over operating disbursements	132,775
Cash and investment fund balance - beginning	<u>42,167</u>
Cash and investment fund balance - ending	<u>\$ 174,942</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 174,942</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 174,942</u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 58,038
Investment earnings:		
Interest	<u>-</u>	<u>5,827</u>
Total additions	<u>-</u>	<u>63,865</u>
Deductions:		
Benefits	25,171	-
Administrative and general	<u>-</u>	<u>234,109</u>
Total deductions	<u>25,171</u>	<u>234,109</u>
Deficiency of total additions over total deductions	(25,171)	(170,244)
Cash and investment fund balance - beginning	<u>816,988</u>	<u>513,254</u>
Cash and investment fund balance - ending	<u>\$ 791,817</u>	<u>\$ 343,010</u>
Net assets:		
Cash and investments	<u>\$ 791,817</u>	<u>\$ 343,010</u>
Total net assets - cash and investment basis held in trust	<u>\$ 791,817</u>	<u>\$ 343,010</u>

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

BROWN COUNTY SCHOOLS
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>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Employer	\$ 500,000	\$ -
Other	<u>-</u>	<u>199,600</u>
Total contributions	<u>500,000</u>	<u>199,600</u>
Investment earnings:		
Interest	<u>-</u>	<u>36,356</u>
Total additions	<u>500,000</u>	<u>235,956</u>
Deductions:		
Benefits	292,432	-
Administrative and general	<u>-</u>	<u>335,843</u>
Total deductions	<u>292,432</u>	<u>335,843</u>
Excess (deficiency) of total additions over total deductions	207,568	(99,887)
Cash and investment fund balance - beginning	<u>791,817</u>	<u>343,006</u>
Cash and investment fund balance - ending	<u>\$ 999,385</u>	<u>\$ 243,119</u>
Net assets:		
Cash and investments	<u>\$ 999,385</u>	<u>\$ 243,119</u>
Total net assets - cash and investment basis held in trust	<u>\$ 999,385</u>	<u>\$ 243,119</u>

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Brown County Schools

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

Joint Venture

The School Corporation is a participant Bartholomew Consolidated School Corporation, Crothersville Community School Corporation, Seymour Community School Corporation, Greensburg Community School Corporation, and Decatur County School Corporation, in a joint venture to operate Bartholomew County Special Services Cooperative which was created to provide special education services. The Cooperative's continued existence depends on continued funding by the school corporations. Complete financial statements for the Cooperative can be obtained from Bartholomew Consolidated School Corporation, 1200 Central Avenue, Columbus, IN 47201.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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.

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

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

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

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

The 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 Internal Service Fund accounts for all receipts and disbursements from the School Corporation's Self-Insurance Fund.

The Pension Trust Fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Cooperation in a trustee capacity.

The Private-Purpose Trust Fund reports a trust arrangement under which principal and income benefit the employees.

C. Measurement Focus and Basis of Accounting

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

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

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

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

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Activities

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

Fund Financial Statements

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

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

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal activities within the primary government.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements are 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.

BROWN COUNTY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$16,952,835. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

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

<u>Investment Type</u>	<u>Primary Government Market Value</u>
Mutual funds	\$ <u>2,522,473</u>

Statutory Authorization for Investments

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal 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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

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

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
Local Rainy Day Fund	General Fund	\$ -	\$ 85,000
Debt Service Fund	General Fund	-	45,270
Debt Service Fund	Local Rainy Day Fund	-	3,000,000
Other Governmental Funds	General Fund	1,472	185,705
Other Governmental Funds	Local Rainy Day Fund	-	600,000
Other Governmental Funds	Capital Projects Fund	-	400,000
Other Governmental Funds	Other Governmental Funds	3,150	5,180
Totals		<u>\$ 4,622</u>	<u>\$ 4,321,155</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Fund reclassifications represent reclassifications made to various private purpose trust funds classified as governmental funds in the prior audit.

Opinion Unit	Balance as Reported June 30, 2008	Fund Reclassification	Balance as Restated July 1, 2008
Statement of Cash Activities	\$ 11,261,591	\$ (24,153)	\$ 11,237,438
Governmental Activities	11,243,721	(24,153)	11,219,568
Private-Purpose Trust Funds	489,099	24,155	513,254

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Employee Benefit Trust Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$70,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program.

B. Holding Corporation

The School Corporation has entered into a capital lease with Brown County 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 period of July 1, 2008 to June 30, 2010, totaled \$1,926,000.

C. Subsequent Events

General obligation bonds were issued December 23, 2010, in the amount of \$1,900,000 for science classroom construction projects of the School Corporation.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 20 years of service. Currently, twenty-two retirees meet these eligibility requirements. The School Corporation provides the first \$5,000 per retired employee per year of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis.

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period of July 1, 2008 to June 30, 2010, were \$331,633.

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

Teachers' Retirement Fund

Plan Description

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

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy

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

The School Corporation's contributions to the plan during the period of July 1, 2008 to June 30, 2010, were \$667,940.

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

	Special Education Preschool	School Lunch	Textbook Rental	Special Education Cooperative	COOP 2008-2009	High School Day Care Program	Education Plate Fee
Receipts:							
Local sources	\$ 38,279	\$ 465,848	\$ 106,926	\$ -	\$ -	\$ 115	\$ -
Intermediate sources	-	-	-	-	-	-	938
State sources	101,681	12,284	82,589	-	-	-	-
Federal sources	-	491,420	-	-	245,833	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	11,674	-	312,258	-	-
Other	-	4,951	958	-	-	9,405	-
Total receipts	139,960	974,503	202,147	-	558,091	9,520	938
Disbursements:							
Current:							
Instruction	108,274	-	-	54,115	364,167	-	-
Support services	-	469	318,476	-	-	-	-
Noninstructional services	-	996,334	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	6,752	-	-	-	-	-	-
Interfund loans	-	-	11,674	-	193,924	-	-
Total disbursements	115,026	996,803	330,150	54,115	558,091	-	-
Excess (deficiency) of receipts over disbursements	24,934	(22,300)	(128,003)	(54,115)	-	9,520	938
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,934	(22,300)	(128,003)	(54,115)	-	9,520	938
Cash and investments - beginning	107,120	57,523	226,175	54,115	-	(9,519)	4,207
Cash and investments - ending	\$ 132,054	\$ 35,223	\$ 98,172	\$ -	\$ -	\$ 1	\$ 5,145
Cash and Investment Assets - Ending							
Cash and investments	\$ 132,054	\$ 35,223	\$ 98,172	\$ -	\$ -	\$ 1	\$ 5,145
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 132,054	\$ 35,223	\$ 98,172	\$ -	\$ -	\$ 1	\$ 5,145
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	132,054	35,223	98,172	-	-	1	5,145
Total cash and investment fund balance - ending	\$ 132,054	\$ 35,223	\$ 98,172	\$ -	\$ -	\$ 1	\$ 5,145

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

	Alternative Education	G/T High Ability 07-08 Grant	Economic Education Mini Grant	Medicaid Reimbursement	CRC Donations	Non-English Speaking Programs	Technology USAC E-Rate
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	35,294	-	-	-	450	546
Federal sources	-	-	-	-	-	-	14,735
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	35,294	-	-	-	450	15,281
Disbursements:							
Current:							
Instruction	-	25,335	25,080	-	20,131	80	-
Support services	-	-	-	-	-	-	2,214
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	25,335	25,080	-	20,131	80	2,214
Excess (deficiency) of receipts over disbursements	-	9,959	(25,080)	-	(20,131)	370	13,067
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,959	(25,080)	-	(20,131)	370	13,067
Cash and investments - beginning	6,950	-	25,080	2,661	29,833	-	10,512
Cash and investments - ending	\$ 6,950	\$ 9,959	\$ -	\$ 2,661	\$ 9,702	\$ 370	\$ 23,579
Cash and Investment Assets - Ending							
Cash and investments	\$ 6,950	\$ 9,959	\$ -	\$ 2,661	\$ 9,702	\$ 370	\$ 23,579
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,950	\$ 9,959	\$ -	\$ 2,661	\$ 9,702	\$ 370	\$ 23,579
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,950	9,959	-	2,661	9,702	370	23,579
Total cash and investment fund balance - ending	\$ 6,950	\$ 9,959	\$ -	\$ 2,661	\$ 9,702	\$ 370	\$ 23,579

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

	Title I 2008/2009	Title I 2007/2008	Title I Van Buren School Improvement 2007/2008	Title V Innovative Programs 2005/2006	Title V Innovative Programs 2007/2008	Drug free Grant Title IV 05-06	Title IV Part A 2008-2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	305,630	52,000	-	-	-	7,787	6,088
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	305,630	52,000	-	-	-	7,787	6,088
Disbursements:							
Current:							
Instruction	222,242	33,968	8,494	10	3,541	-	-
Support services	82,948	18,993	1,789	-	-	7,787	6,088
Noninstructional services	815	495	100	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	306,005	53,456	10,383	10	3,541	7,787	6,088
Excess (deficiency) of receipts over disbursements	(375)	(1,456)	(10,383)	(10)	(3,541)	-	-
Other financing sources (uses):							
Transfers in	3,150	-	-	-	-	-	-
Transfers out	-	(3,150)	-	-	-	-	-
Total other financing sources (uses)	3,150	(3,150)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,775	(4,606)	(10,383)	(10)	(3,541)	-	-
Cash and investments - beginning	-	4,605	10,383	10	3,541	-	-
Cash and investments - ending	\$ 2,775	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,775	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,775	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,775	(1)	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 2,775	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Title IV Part A 2006-2007	Purdue Rock Grant 2008-2009	Project R. O. C. K. 2007/2008	Project R. O. C. K. 2006/2007	Teaching American History Grant	Title II Class Size Reduction 2007/2008	Rural Capacity Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 81,899	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	7,829	34,650	-	-	-	105,618	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	926	-	-	-	-	-
Other	-	335	-	-	-	-	-
Total receipts	7,829	35,911	-	-	81,899	105,618	-
Disbursements:							
Current:							
Instruction	-	28,634	1,752	91	-	93,949	54,380
Support services	7,829	-	-	-	48,320	-	-
Noninstructional services	-	415	480	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	926	-	-	-	-	-
Total disbursements	7,829	29,975	2,232	91	48,320	93,949	54,380
Excess (deficiency) of receipts over disbursements	-	5,936	(2,232)	(91)	33,579	11,669	(54,380)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,472)	-	-
Total other financing sources (uses)	-	-	-	-	(1,472)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,936	(2,232)	(91)	32,107	11,669	(54,380)
Cash and investments - beginning	-	-	2,232	91	(32,107)	(11,473)	97,500
Cash and investments - ending	\$ -	\$ 5,936	\$ -	\$ -	\$ -	\$ 196	\$ 43,120
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 5,936	\$ -	\$ -	\$ -	\$ 196	\$ 43,120
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 5,936	\$ -	\$ -	\$ -	\$ 196	\$ 43,120
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,936	-	-	-	196	43,120
Total cash and investment fund balance - ending	\$ -	\$ 5,936	\$ -	\$ -	\$ -	\$ 196	\$ 43,120

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

	FEMA Revenue For Flood 2008	Fiscal Stabilization Fund	Special Ed - Part B Stimulus	Special Ed - Part B Preschool	Retirement/ Severance Bond Debt Service	School Bus Replacement	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 139,446	\$ 281,833	\$ 1,114,346
Intermediate sources	-	-	-	-	-	-	938
State sources	-	-	-	-	-	-	232,844
Federal sources	61,997	1,117,107	-	-	-	-	2,450,694
Temporary loans	-	-	-	-	49,014	-	49,014
Interfund loans	-	-	6,484	1,198	73,040	-	405,580
Other	-	-	-	-	-	29,986	45,635
Total receipts	61,997	1,117,107	6,484	1,198	261,500	311,819	4,299,051
Disbursements:							
Current:							
Instruction	-	823,192	6,484	1,198	-	-	1,875,117
Support services	-	219,498	-	-	-	117,875	832,286
Noninstructional services	-	-	-	-	-	-	998,639
Debt services	-	-	-	-	133,188	120,000	253,188
Nonprogrammed charges	-	-	-	-	-	-	6,752
Interfund loans	-	-	-	-	80,312	-	286,836
Total disbursements	-	1,042,690	6,484	1,198	213,500	237,875	4,252,818
Excess (deficiency) of receipts over disbursements	61,997	74,417	-	-	48,000	73,944	46,233
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	3,150
Transfers out	-	-	-	-	-	-	(4,622)
Total other financing sources (uses)	-	-	-	-	-	-	(1,472)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	61,997	74,417	-	-	48,000	73,944	44,761
Cash and investments - beginning	-	-	-	-	-	292,344	881,783
Cash and investments - ending	\$ 61,997	\$ 74,417	\$ -	\$ -	\$ 48,000	\$ 366,288	\$ 926,544
Cash and Investment Assets - Ending							
Cash and investments	\$ 61,997	\$ 74,417	\$ -	\$ -	\$ -	\$ 366,288	\$ 878,544
Restricted assets:							
Cash and investments	-	-	-	-	48,000	-	48,000
Total cash and investment assets - ending	\$ 61,997	\$ 74,417	\$ -	\$ -	\$ 48,000	\$ 366,288	\$ 926,544
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 48,000	\$ -	\$ 48,000
Unrestricted	61,997	74,417	-	-	-	366,288	878,544
Total cash and investment fund balance - ending	\$ 61,997	\$ 74,417	\$ -	\$ -	\$ 48,000	\$ 366,288	\$ 926,544

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

	Special Education Preschool	School Lunch	Textbook Rental	COOP 2008-2009	COOP 2009-2010	Education Plate Fee	Alternative Education
Receipts:							
Local sources	\$ 45,033	\$ 433,637	\$ 90,404	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	375	-
State sources	64,625	11,123	89,824	-	-	-	-
Federal sources	-	591,541	-	122,917	399,702	-	-
Interfund loans	-	-	-	-	40,441	-	-
Other	35	3,713	-	-	-	-	-
Total receipts	109,693	1,040,014	180,228	122,917	440,143	375	-
Disbursements:							
Current:							
Instruction	56,041	-	-	4,583	364,220	-	-
Support services	-	9,268	164,570	-	-	-	-
Noninstructional services	-	961,742	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,619	6,950
Interfund loans	-	-	50,100	118,334	40,441	-	-
Total disbursements	56,041	971,010	214,670	122,917	404,661	2,619	6,950
Excess (deficiency) of receipts over disbursements	53,652	69,004	(34,442)	-	35,482	(2,244)	(6,950)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(185,705)	-	-	-	-	-	-
Total other financing sources (uses)	(185,705)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(132,053)	69,004	(34,442)	-	35,482	(2,244)	(6,950)
Cash and investments - beginning	132,053	35,223	98,172	-	-	5,144	6,950
Cash and investments - ending	\$ -	\$ 104,227	\$ 63,730	\$ -	\$ 35,482	\$ 2,900	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 104,227	\$ 63,730	\$ -	\$ 35,482	\$ 2,900	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 104,227	\$ 63,730	\$ -	\$ 35,482	\$ 2,900	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	104,227	63,730	-	35,482	2,900	-
Total cash and investment fund balance - ending	\$ -	\$ 104,227	\$ 63,730	\$ -	\$ 35,482	\$ 2,900	\$ -

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

	G/T High Ability 07-08 Grant	High Ability Grant 2009-2010	Medicaid Reimbursement	CRC Donations	Non-English Speaking Programs	Technology USAC E-Rate	Excess PTRC Distribution
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 7,738	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	34,540	-	-	-	2,798	135,845
Federal sources	-	-	-	-	-	16,037	-
Interfund loans	-	-	-	217	244	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	34,540	-	7,955	244	18,835	135,845
Disbursements:							
Current:							
Instruction	9,826	34,540	-	17,391	492	-	-
Support services	133	-	-	-	-	18,244	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	217	122	-	-
Total disbursements	9,959	34,540	-	17,608	614	18,244	-
Excess (deficiency) of receipts over disbursements	(9,959)	-	-	(9,653)	(370)	591	135,845
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,959)	-	-	(9,653)	(370)	591	135,845
Cash and investments - beginning	9,959	-	2,661	9,702	370	23,579	-
Cash and investments - ending	\$ -	\$ -	\$ 2,661	\$ 49	\$ -	\$ 24,170	\$ 135,845
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 2,661	\$ 49	\$ -	\$ 24,170	\$ 135,845
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 2,661	\$ 49	\$ -	\$ 24,170	\$ 135,845
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	2,661	49	-	24,170	135,845
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 2,661	\$ 49	\$ -	\$ 24,170	\$ 135,845

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

	Title I 2008/2009	Title I 2009/2010	Title V FY 07	Title IV Drug Free Sch 09-10	BCJHS 09-10 Purdue Rock	Purdue Rock Grant 2008-2009	Elem Life Skills Training Prog
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	675
Federal sources	27,350	294,144	1,381	7,778	34,075	-	-
Interfund loans	-	-	-	-	1,134	-	-
Other	-	-	-	-	-	-	-
Total receipts	27,350	294,144	1,381	7,778	35,209	-	675
Disbursements:							
Current:							
Instruction	15,083	212,207	1,381	-	29,587	5,932	675
Support services	9,861	1,532	-	7,778	-	-	-
Noninstructional services	-	832	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	1,134	-	-
Total disbursements	24,944	214,571	1,381	7,778	30,721	5,932	675
Excess (deficiency) of receipts over disbursements	2,406	79,573	-	-	4,488	(5,932)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	5,180	-	-	-	-	-
Transfers out	(5,180)	-	-	-	-	-	-
Total other financing sources (uses)	(5,180)	5,180	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,774)	84,753	-	-	4,488	(5,932)	-
Cash and investments - beginning	2,774	-	-	-	-	5,936	-
Cash and investments - ending	\$ -	\$ 84,753	\$ -	\$ -	\$ 4,488	\$ 4	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 84,753	\$ -	\$ -	\$ 4,488	\$ 4	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 84,753	\$ -	\$ -	\$ 4,488	\$ 4	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	84,753	-	-	4,488	4	-
Total cash and investment fund balance - ending	\$ -	\$ 84,753	\$ -	\$ -	\$ 4,488	\$ 4	\$ -

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

	Title II Class Size Reduction 2007/2008	Improv. Teach Qual 09-10	Rural Capacity Grant	FEMA Revenue For Flood 2008	Fiscal Stabilization Fund	LEA Title I Stimulus Grt 09-10	Special Ed - Part B Stimulus
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	40,000	-	-	-	-
Federal sources	16,310	81,400	-	36,574	444,449	117,869	253,184
Interfund loans	-	-	1,409	-	-	15,579	56,491
Other	-	-	-	-	-	-	-
Total receipts	16,310	81,400	41,409	36,574	444,449	133,448	309,675
Disbursements:							
Current:							
Instruction	16,507	65,449	84,529	-	436,566	76,415	227,115
Support services	-	-	-	-	82,299	56,018	42,148
Noninstructional services	-	-	-	-	-	1,014	-
Facilities acquisition and construction	-	-	-	98,571	-	-	5,834
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	34,579
Total disbursements	16,507	65,449	84,529	98,571	518,865	133,447	309,676
Excess (deficiency) of receipts over disbursements	(197)	15,951	(43,120)	(61,997)	(74,416)	1	(1)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(197)	15,951	(43,120)	(61,997)	(74,416)	1	(1)
Cash and investments - beginning	197	-	43,120	61,997	74,417	-	-
Cash and investments - ending	\$ -	\$ 15,951	\$ -	\$ -	\$ 1	\$ 1	\$ (1)
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 15,951	\$ -	\$ -	\$ 1	\$ 1	\$ (1)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 15,951	\$ -	\$ -	\$ 1	\$ 1	\$ (1)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	15,951	-	-	1	1	(1)
Total cash and investment fund balance - ending	\$ -	\$ 15,951	\$ -	\$ -	\$ 1	\$ 1	\$ (1)

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

	Special Ed - Part B Preschool	Qualified School Construction Bond	Retirement/ Severance Bond Debt Service	School Bus Replacement	Construction - Common School Loan	GO Bond 2010	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ 242,980	\$ 853,541	\$ -	\$ -	\$ 1,673,333
Intermediate sources	-	-	-	-	-	-	375
State sources	-	-	-	-	-	-	379,430
Federal sources	12,304	-	-	-	-	-	2,457,015
Interfund loans	4,593	-	-	-	-	-	120,108
Other	-	-	84	361	-	-	4,193
Total receipts	16,897	-	243,064	853,902	-	-	4,634,454
Disbursements:							
Current:							
Instruction	15,698	-	-	-	-	-	1,674,237
Support services	-	-	-	177,888	-	-	569,739
Noninstructional services	-	-	-	-	-	-	963,588
Facilities acquisition and construction	-	17,582	-	-	211,711	96,482	430,180
Debt services	-	-	230,864	207,000	-	-	437,864
Nonprogrammed charges	-	9,845	-	-	-	-	19,414
Interfund loans	1,198	-	-	-	-	-	246,125
Total disbursements	16,896	27,427	230,864	384,888	211,711	96,482	4,341,147
Excess (deficiency) of receipts over disbursements	1	(27,427)	12,200	469,014	(211,711)	(96,482)	293,307
Other financing sources (uses):							
Proceeds of long-term debt	-	1,959,167	-	-	211,711	985,050	3,155,928
Transfers in	-	-	-	-	-	-	5,180
Transfers out	-	(400,000)	-	(600,000)	-	-	(1,190,885)
Total other financing sources (uses)	-	1,559,167	-	(600,000)	211,711	985,050	1,970,223
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	1,531,740	12,200	(130,986)	-	888,568	2,263,530
Cash and investments - beginning	-	-	48,001	366,288	-	-	926,543
Cash and investments - ending	\$ 1	\$ 1,531,740	\$ 60,201	\$ 235,302	\$ -	\$ 888,568	\$ 3,190,073
Cash and Investment Assets - Ending							
Cash and investments	\$ 1	\$ 1,531,740	\$ -	\$ 235,302	\$ -	\$ 888,568	\$ 3,129,872
Restricted assets:							
Cash and investments	-	-	60,201	-	-	-	60,201
Total cash and investment assets - ending	\$ 1	\$ 1,531,740	\$ 60,201	\$ 235,302	\$ -	\$ 888,568	\$ 3,190,073
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 60,201	\$ -	\$ -	\$ -	\$ 60,201
Unrestricted	1	1,531,740	-	235,302	-	888,568	3,129,872
Total cash and investment fund balance - ending	\$ 1	\$ 1,531,740	\$ 60,201	\$ 235,302	\$ -	\$ 888,568	\$ 3,190,073

BROWN COUNTY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2009

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ -	\$ -
Plan members	-	-	-
State	-	-	-
Other	-	-	-
	-	-	-
Total contributions	-	-	-
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	-	-	-
Dividends	-	-	-
	-	-	-
Total investment earnings	-	-	-
Less investment disbursements	-	-	-
	-	-	-
Net investment earnings	-	-	-
	-	-	-
Total additions	-	-	-
Deductions:			
Benefits	25,171	-	25,171
Refunds of contributions	-	-	-
Administrative and general	-	-	-
	25,171	-	25,171
Total deductions	25,171	-	25,171
Excess (deficiency) of total additions over total deductions	(25,171)	-	(25,171)
Cash and investment fund balance - beginning	816,988	-	816,988
Cash and investment fund balance - ending	\$ 791,817	\$ -	\$ 791,817
Net assets:			
Cash and investments	\$ 791,817	\$ -	\$ 791,817
Total net assets - cash and investment basis held in trust	\$ 791,817	\$ -	\$ 791,817

BROWN COUNTY SCHOOLS
 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	\$ -	\$ 500,000	\$ 500,000
Deductions:			
Benefits	42,710	249,722	292,432
Excess (deficiency) of total additions over total deductions	(42,710)	250,278	207,568
Cash and investment fund balance - beginning	791,817	-	791,817
Cash and investment fund balance - ending	\$ 749,107	\$ 250,278	\$ 999,385
Net assets:			
Cash and investments	\$ 749,107	\$ 250,278	\$ 999,385
Total net assets - cash and investment basis held in trust	\$ 749,107	\$ 250,278	\$ 999,385

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

	Donations/ Bloomington Arts Council	Local Rural Capacity Grant	Pitcher Estate Interest	Psi Iota XI	Toyota Tapestry Grant 08-09	Fleener Estate Interest
Additions:						
Contributions:						
Other	\$ 14,086	\$ 150	\$ 155	\$ -	\$ -	\$ 183
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>14,086</u>	<u>150</u>	<u>155</u>	<u>-</u>	<u>-</u>	<u>183</u>
Deductions:						
Administrative and general	<u>13,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,548</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	237	150	155	-	(8,548)	183
Cash and investment fund balance - beginning	<u>500</u>	<u>500</u>	<u>5,634</u>	<u>1,300</u>	<u>10,000</u>	<u>5,533</u>
Cash and investments - June 30	<u>\$ 737</u>	<u>\$ 650</u>	<u>\$ 5,789</u>	<u>\$ 1,300</u>	<u>\$ 1,452</u>	<u>\$ 5,716</u>
Net assets:						
Cash and investments	<u>\$ 737</u>	<u>\$ 650</u>	<u>\$ 5,789</u>	<u>\$ 1,300</u>	<u>\$ 1,452</u>	<u>\$ 5,716</u>
Total net assets - cash and investment basis held in trust	<u>\$ 737</u>	<u>\$ 650</u>	<u>\$ 5,789</u>	<u>\$ 1,300</u>	<u>\$ 1,452</u>	<u>\$ 5,716</u>

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

	Local At Risk Grant	BCJHS After School Donation	Superintendent Fund	CRC GED	CRC Textbook	CRC Childcare Payments
Additions:						
Contributions:						
Other	\$ 3,000	\$ 6,780	\$ 1,102	\$ 1,600	\$ 108	\$ 692
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>3,000</u>	<u>6,780</u>	<u>1,102</u>	<u>1,600</u>	<u>108</u>	<u>692</u>
Deductions:						
Administrative and general	<u>3,028</u>	<u>6,780</u>	<u>-</u>	<u>1,440</u>	<u>-</u>	<u>966</u>
Excess (deficiency) of total additions over total deductions	(28)	-	1,102	160	108	(274)
Cash and investment fund balance - beginning	<u>688</u>	<u>-</u>	<u>-</u>	<u>8,091</u>	<u>106</u>	<u>938</u>
Cash and investments - June 30	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ 1,102</u>	<u>\$ 8,251</u>	<u>\$ 214</u>	<u>\$ 664</u>
Net assets:						
Cash and investments	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ 1,102</u>	<u>\$ 8,251</u>	<u>\$ 214</u>	<u>\$ 664</u>
Total net assets - cash and investment basis held in trust	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ 1,102</u>	<u>\$ 8,251</u>	<u>\$ 214</u>	<u>\$ 664</u>

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

	CRC Coffee	CRC NOW Fund BCSC	CRC Forever Fund BCSC	Indiana Arts Commission 2009	Diane Miller Grant	Lilly Endowment- Teacher Creativity
Additions:						
Contributions:						
Other	\$ -	\$ 12,349	\$ 100	\$ 7,000	\$ 3,398	\$ -
Investment earnings:						
Interest	-	16	-	-	-	-
Total additions	<u>-</u>	<u>12,365</u>	<u>100</u>	<u>7,000</u>	<u>3,398</u>	<u>-</u>
Deductions:						
Administrative and general	-	-	-	7,000	3,398	10,671
Excess (deficiency) of total additions over total deductions	-	12,365	100	-	-	(10,671)
Cash and investment fund balance - beginning	104	-	-	-	-	13,907
Cash and investments - June 30	<u>\$ 104</u>	<u>\$ 12,365</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,236</u>
Net assets:						
Cash and investments	<u>\$ 104</u>	<u>\$ 12,365</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,236</u>
Total net assets - cash and investment basis held in trust	<u>\$ 104</u>	<u>\$ 12,365</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,236</u>

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

	Child Welfare Services	IU Tuition Replacement Credit	Alternative Program Pepsi Machine	Peers LCC Donation	Cape III Grant	Totals
Additions:						
Contributions:						
Other	\$ 6,335	\$ -	\$ -	\$ 1,000	\$ -	\$ 58,038
Investment earnings:						
Interest	-	-	-	-	5,811	5,827
Total additions	<u>6,335</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>5,811</u>	<u>63,865</u>
Deductions:						
Administrative and general	<u>6,335</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>170,644</u>	<u>234,109</u>
Excess (deficiency) of total additions over total deductions	-	-	-	(450)	(164,833)	(170,244)
Cash and investment fund balance - beginning	<u>-</u>	<u>1,070</u>	<u>322</u>	<u>1,589</u>	<u>462,972</u>	<u>513,254</u>
Cash and investments - June 30	<u><u>\$ -</u></u>	<u><u>\$ 1,070</u></u>	<u><u>\$ 322</u></u>	<u><u>\$ 1,139</u></u>	<u><u>\$ 298,139</u></u>	<u><u>\$ 343,010</u></u>
Net assets:						
Cash and investments	<u><u>\$ -</u></u>	<u><u>\$ 1,070</u></u>	<u><u>\$ 322</u></u>	<u><u>\$ 1,139</u></u>	<u><u>\$ 298,139</u></u>	<u><u>\$ 343,010</u></u>
Total net assets - cash and investment basis held in trust	<u><u>\$ -</u></u>	<u><u>\$ 1,070</u></u>	<u><u>\$ 322</u></u>	<u><u>\$ 1,139</u></u>	<u><u>\$ 298,139</u></u>	<u><u>\$ 343,010</u></u>

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

	Bryan Pitcher Estate	Rotary Teacher of the Year	Donations/ Bloomington Arts Council	Local Rural Capacity Grant	Pitcher Estate Interest	Psi Iota XI	Toyota Tapestry Grant 08-09
Additions:							
Contributions:							
Other	\$ 5,000	\$ 750	\$ 300	\$ -	\$ 155	\$ 400	\$ -
Investment earnings:							
Interest	-	-	-	-	-	-	-
Total additions	<u>5,000</u>	<u>750</u>	<u>300</u>	<u>-</u>	<u>155</u>	<u>400</u>	<u>-</u>
Deductions:							
Administrative and general	<u>5,000</u>	<u>-</u>	<u>669</u>	<u>650</u>	<u>624</u>	<u>386</u>	<u>1,439</u>
Excess (deficiency) of total additions over total deductions	-	750	(369)	(650)	(469)	14	(1,439)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>737</u>	<u>650</u>	<u>5,789</u>	<u>1,300</u>	<u>1,451</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ 5,320</u>	<u>\$ 1,314</u>	<u>\$ 12</u>
Net assets:							
Cash and investments	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ 5,320</u>	<u>\$ 1,314</u>	<u>\$ 12</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ 5,320</u>	<u>\$ 1,314</u>	<u>\$ 12</u>

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

	Fleener Estate Interest	Local At Risk Grant	BCJHS After School Donation	Superintendent Fund	CRC GED	CRC Textbook	CRC Childcare Payments
Additions:							
Contributions:							
Other	\$ 183	\$ 1,000	\$ 9,185	\$ -	\$ 1,555	\$ 6,912	\$ 4,913
Investment earnings:							
Interest	-	-	-	-	-	-	-
Total additions	<u>183</u>	<u>1,000</u>	<u>9,185</u>	<u>-</u>	<u>1,555</u>	<u>6,912</u>	<u>4,913</u>
Deductions:							
Administrative and general	-	409	8,726	800	2,966	2,855	4,851
Excess (deficiency) of total additions over total deductions	183	591	459	(800)	(1,411)	4,057	62
Cash and investment fund balance - beginning	<u>5,716</u>	<u>659</u>	<u>-</u>	<u>1,102</u>	<u>8,251</u>	<u>214</u>	<u>663</u>
Cash and investments - June 30	<u>\$ 5,899</u>	<u>\$ 1,250</u>	<u>\$ 459</u>	<u>\$ 302</u>	<u>\$ 6,840</u>	<u>\$ 4,271</u>	<u>\$ 725</u>
Net assets:							
Cash and investments	<u>\$ 5,899</u>	<u>\$ 1,250</u>	<u>\$ 459</u>	<u>\$ 302</u>	<u>\$ 6,840</u>	<u>\$ 4,271</u>	<u>\$ 725</u>
Total net assets - cash and investment basis held in trust	<u>\$ 5,899</u>	<u>\$ 1,250</u>	<u>\$ 459</u>	<u>\$ 302</u>	<u>\$ 6,840</u>	<u>\$ 4,271</u>	<u>\$ 725</u>

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

	CRC Coffee	CRC NOW Fund BCSC	CRC Forever Fund BCSC	CRC Curriculum Instruction	CRC Construction Fund	Indiana Arts Commission 2009
Additions:						
Contributions:						
Other	\$ 6	\$ 62,006	\$ 1,750	\$ 1,762	\$ 2,850	\$ 5,388
Investment earnings:						
Interest	-	33	2	-	-	-
Total additions	<u>6</u>	<u>62,039</u>	<u>1,752</u>	<u>1,762</u>	<u>2,850</u>	<u>5,388</u>
Deductions:						
Administrative and general	<u>105</u>	<u>5,750</u>	<u>-</u>	<u>1,033</u>	<u>618</u>	<u>5,388</u>
Excess (deficiency) of total additions over total deductions	(99)	56,289	1,752	729	2,232	-
Cash and investment fund balance - beginning	<u>104</u>	<u>12,365</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 5</u>	<u>\$ 68,654</u>	<u>\$ 1,852</u>	<u>\$ 729</u>	<u>\$ 2,232</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 5</u>	<u>\$ 68,654</u>	<u>\$ 1,852</u>	<u>\$ 729</u>	<u>\$ 2,232</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 5</u>	<u>\$ 68,654</u>	<u>\$ 1,852</u>	<u>\$ 729</u>	<u>\$ 2,232</u>	<u>\$ -</u>

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

	Indiana Arts Commission 09-10	BCJHS Extra-Curricular Act	BCHS Extra-Curricular Act	Lilly Endowment- Teacher Creativity	Child Welfare Services	Br Co Schools Prof Development
Additions:						
Contributions:						
Other	\$ 9,631	\$ 1,136	\$ 5,395	\$ -	\$ 5,705	\$ 9,568
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>9,631</u>	<u>1,136</u>	<u>5,395</u>	<u>-</u>	<u>5,705</u>	<u>9,568</u>
Deductions:						
Administrative and general	<u>9,632</u>	<u>1,137</u>	<u>5,123</u>	<u>3,236</u>	<u>5,705</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(1)	(1)	272	(3,236)	-	9,568
Cash and investment fund balance - beginning	-	-	-	<u>3,236</u>	-	-
Cash and investments - June 30	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,568</u>
Net assets:						
Cash and investments	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,568</u>
Total net assets - cash and investment basis held in trust	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,568</u>

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

	IU Tuition Replacement Credit	Alternative Program Pepsi Machine	Peers LCC Donation	Peers Grant 09-10 LCC	Cape III Grant	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 1,000	\$ 63,050	\$ 199,600
Investment earnings:						
Interest	-	-	-	-	36,321	36,356
Total additions	-	-	-	1,000	99,371	235,956
Deductions:						
Administrative and general	750	322	1,087	525	266,057	335,843
Excess (deficiency) of total additions over total deductions	(750)	(322)	(1,087)	475	(166,686)	(99,887)
Cash and investment fund balance - beginning	1,070	322	1,139	-	298,138	343,006
Cash and investments - June 30	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 475</u>	<u>\$ 131,452</u>	<u>\$ 243,119</u>
Net assets:						
Cash and investments	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 475</u>	<u>\$ 131,452</u>	<u>\$ 243,119</u>
Total net assets - cash and investment basis held in trust	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 475</u>	<u>\$ 131,452</u>	<u>\$ 243,119</u>

BROWN COUNTY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,325,350
Buildings	10,575,662
Improvements other than buildings	2,310,021
Machinery and equipment	<u>3,628,671</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 18,839,704</u>

BROWN COUNTY SCHOOLS
 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:		
High School Building improvements	\$ 1,855,125	\$ 963,000
High School Building energy improvements	1,074,930	462,723
Bonds payable:		
General obligation bonds:		
Pension bonds - Retirement and Severance payments	530,000	134,227
Technology Bond	995,000	114,400
Qualified School Construction Bond	1,985,575	163,754
Common School Loan	190,540	44,142
Emergency State Loan	<u>5,500,000</u>	<u>1,162,500</u>
Total long-term debt	<u>\$ 12,131,170</u>	<u>\$ 3,044,746</u>

BROWN COUNTY SCHOOLS
AUDIT RESULT AND COMMENT

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for audit indicates that, in some cases, amounts payable to vendors and other suppliers of goods and services are not being paid until two months after the invoice dates. A late fee of \$356.25 was incurred and paid by the School Corporation.

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

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

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

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

The School Corporation's response to the findings 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.

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

March 8, 2011

BROWN COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553	None	\$ 111,864	\$ 147,708
National School Lunch Program	10.555	None	<u>447,876</u>	<u>513,146</u>
Total for federal grantor agency			<u>559,740</u>	<u>660,854</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			
FY 2007-2008		08-0670	56,605	-
FY 2008-2009		09-0670	306,006	30,124
FY 2009-2010		10-0670	-	214,570
FY 2007-2008 School Improvement		None	<u>10,383</u>	<u>-</u>
Total for program			<u>372,994</u>	<u>244,694</u>
ARRA - Title I Grants to Local Educational Agencies	84.389	None	<u>-</u>	<u>133,447</u>
Total for cluster			<u>372,994</u>	<u>378,141</u>
Pass-Through Bartholomew Consolidated School Corporation Special Education Cluster				
ARRA - Special Education - Grants to States, Recovery Act	84.391	None	<u>6,484</u>	<u>309,675</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	None	<u>1,198</u>	<u>16,897</u>
Total for cluster			<u>7,682</u>	<u>326,572</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	None	<u>1,042,690</u>	<u>518,865</u>
Total for cluster			<u>1,042,690</u>	<u>518,865</u>
Direct Grant				
Fund for the Improvement of Education Teaching American History	84.215	None	<u>49,792</u>	<u>-</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		06-0670	7,829	-
		07-0670	7,787	-
		08-0670	6,088	-
		09-0670	<u>-</u>	<u>7,778</u>
Total for program			<u>21,704</u>	<u>7,778</u>

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

BROWN COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Grants for Innovative Programs	84.298			
		06-0670	10	-
		07-0670	-	1,381
		08-0670	3,541	-
Total for program			3,551	1,381
Improving Teacher Quality State Grants	84.367			
		06-0670	12,595	-
		08-0670	81,353	16,507
		09-0670	-	65,449
Total for program			93,948	81,956
Total for federal grantor agency			1,592,361	1,314,693
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Family and Social Services Administration				
Block Grants for Prevention and Treatment of Substance Abuse	93.959			
FY 2006-2007		None	91	-
FY 2007-2008		None	2,232	-
FY 2008-2009		None	29,975	5,932
FY 2009-2010		None	-	30,721
Total for federal grantor agency			32,298	36,653
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
Disaster Assistance		#1766	-	98,571
Total for federal grantor agency			-	98,571
Total federal awards expended			<u>\$ 2,184,399</u>	<u>\$ 2,110,771</u>

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

BROWN COUNTY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2009	2010
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 13,654	\$ 15,231
National School Lunch Program	10.555	54,666	54,081

BROWN COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster
Special Education Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

BROWN COUNTY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

BROWN COUNTY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on March 8, 2011, with Carol Sue Owens, Treasurer; Carolyn Bowden, Vice President of the School Board; David Shaffer, Superintendent of Schools; and Dennis Goldberg, Assistant Superintendent of Schools. The official response has been made a part of this report and may be found on page 58.



Brown County Schools

Superintendent
David Shaffer

Assistant Superintendent
Dr. Dennis Goldberg

Treasurer
Carol Sue Owens

Director of Student Services
Alan Kosinski

Director of Technology
John Emkes

Director of Student Learning
Deborah Harman

Director of Food Service
Mari Bolin

Director of Maintenance
Thomas Ferry

Director of Transportation
Roger Cline

Board of School Trustees

President
John Mills

Vice President
Carol Bowden

Secretary
Judy Hardwick

Members
Teresa Waltman
Connie Weddle

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357 E. Main Street
Nashville, IN 47448*

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cscbc@brownco.k12.in.us*

March 9, 2011

OFFICIAL RESPONSE
State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

In response to the audit for the 6/30/2010 conducted by your agency we would like our statement included in your final document.

September of 2008 –Service Charge copier lease

Brown County Schools paid a service charge to Court Square Leasing in October of 2008. The September invoice for their services included insurance for the copiers. Jill Wray our Deputy Treasurer contacted Court Square about their invoice which listed the insurance coverage and told them we had our own coverage for the equipment. We then sent to them documentation of this coverage. We delayed payment to them until they corrected their invoice and they then billed us for the service charge.

Brown County Schools continually strives to pay all invoices by their due date with the proper Board approval.

Thank you –

Carol S. Owens
Treasurer
Brown County Schools