

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
DUBOIS COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
02/28/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruth Leistner	07-01-09 to 06-30-12
Superintendent of Schools	Dan Balka	07-01-09 to 06-30-12
President of the School Board	Mary Pankey	07-01-09 to 06-30-12



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

TO: THE OFFICIALS OF THE NORTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

We have audited the accompanying financial statement of the Northeast Dubois County School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 14, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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

December 14, 2011



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

TO: THE OFFICIALS OF THE NORTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

We have audited the financial statement of the Northeast Dubois County School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
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 statement is 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, others within the entity, 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

December 14, 2011

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 276,367	\$ 5,857,941	\$ 5,355,596	\$ 118,584	\$ 897,296	\$ 6,146,106	\$ 6,269,936	\$ 13,523	\$ 786,989
Debt Service	2,894	931,580	540,016	(385,807)	8,651	823,179	549,060	(1,392)	281,378
Retirement/Severance Bond Debt Service	(86,932)	564,602	369,646	(9,774)	98,250	443,371	365,816	(768)	175,037
Capital Projects	224,092	902,049	903,318	(15,803)	207,020	761,174	723,796	(2,972)	241,426
School Transportation	(89,892)	886,415	690,805	49,251	154,969	709,731	678,240	(1,317)	185,143
School Bus Replacement	936	155,215	-	(152,801)	3,350	206,442	83,310	(123,205)	3,277
Special Education Preschool	39,302	12,375	1,781	(49,896)	-	-	-	-	-
Rainy Day	445,819	-	315,508	520,000	650,311	-	267,910	123,000	505,401
Retirement/Severance Bond	2,543	-	-	-	2,543	-	-	-	2,543
School Lunch	157,352	458,831	414,628	-	201,555	489,738	445,695	-	245,598
Textbook Rental	96,663	118,311	133,873	-	81,101	123,298	148,572	-	55,827
Levy Excess	-	-	-	-	-	13,591	-	(8,704)	4,887
Educational License Plates	1,408	56	-	-	1,464	57	-	-	1,521
SAFE School Haven	757	-	-	-	757	-	-	-	757
Instruction Support	3,400	14,294	17,081	-	613	19,130	17,585	475	2,633
Scholarships and Awards	-	8,000	8,000	-	-	8,000	8,000	-	-
Miscellaneous Programs	600	-	-	-	600	-	-	-	600
Gifted and Talented	12,677	29,249	24,679	(6,781)	10,466	28,809	15,235	(7,933)	16,107
Medicaid Reimbursement	-	1,379	-	-	1,379	1,488	812	-	2,055
Non-English Speaking Programs P.L. 273-1999	1,344	920	-	(1,049)	1,215	463	-	(1,215)	463
School Technology	-	-	-	-	-	4,932	-	9,371	14,303
Technology Grants [IC 20-40-15]	61,525	-	-	-	61,525	-	62,609	1,084	-
Miscellaneous Programs	3,828	-	-	-	3,828	-	-	-	3,828
Title I	12,531	61,651	60,149	-	14,033	47,059	61,608	-	(516)
P.L. Innovative Education Program Strategies Title V (Part A)	1,743	544	684	(1,603)	-	-	-	-	-
Drug Free Schools	111	3,489	1,216	-	2,384	-	1,317	-	1,067
Medicaid Reimbursement - Federal	-	2,250	275	-	1,975	2,426	2,286	-	2,115
Improving Teaching Quality, No Child Left, Title II, Part A	20,092	21,026	-	(41,118)	-	8,137	8,137	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	23,203	-	(23,203)	-	-	-	-	-
Fiscal Stabilization - Education	488,861	199,157	688,018	-	-	-	-	-	-
Title I - Grants to LEAs	-	38,985	34,001	-	4,984	-	5,037	53	-
Special Education - Part B	-	163,376	157,497	-	5,879	44,688	50,567	-	-
Special Education - Part B - Preschool	-	7,703	7,703	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	190,843	190,843	-	-
Extra-Curricular Clearing	(354)	11,578	11,559	-	(335)	10,979	10,708	-	(64)
School Lunch Clearing	(960)	282,917	287,682	-	(5,725)	339,595	340,675	-	(6,805)
Payroll Withholdings	15,077	1,965,824	1,963,601	-	17,300	1,900,453	1,897,191	-	20,562
Totals	\$ 1,691,784	\$ 12,722,920	\$ 11,987,316	\$ -	\$ 2,427,388	\$ 12,323,689	\$ 12,204,945	\$ -	\$ 2,546,132

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

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. 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. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 276,367	\$ 2,894	\$ (86,932)	\$ 224,092	\$ (89,892)	\$ 936	\$ 39,302	\$ 445,819	\$ 2,543
Receipts:									
Local sources	154,298	931,580	564,602	900,799	886,415	155,215	-	-	-
Intermediate sources	232	-	-	-	-	-	-	-	-
State sources	5,702,671	-	-	-	-	-	12,375	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	740	-	-	1,250	-	-	-	-	-
Total receipts	<u>5,857,941</u>	<u>931,580</u>	<u>564,602</u>	<u>902,049</u>	<u>886,415</u>	<u>155,215</u>	<u>12,375</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	3,790,506	-	-	-	-	-	1,781	214,698	-
Support services	1,426,822	-	-	800,939	654,813	-	-	67,710	-
Noninstructional services	9,290	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	92,313	-	-	-	33,100	-
Debt services	-	540,016	369,646	-	-	-	-	-	-
Nonprogrammed charges	128,978	-	-	10,066	35,992	-	-	-	-
Total disbursements	<u>5,355,596</u>	<u>540,016</u>	<u>369,646</u>	<u>903,318</u>	<u>690,805</u>	<u>-</u>	<u>1,781</u>	<u>315,508</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>502,345</u>	<u>391,564</u>	<u>194,956</u>	<u>(1,269)</u>	<u>195,610</u>	<u>155,215</u>	<u>10,594</u>	<u>(315,508)</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	186,529	-	-	38	64,030	30,000	-	550,000	-
Transfers out	(67,945)	(385,807)	(9,774)	(15,841)	(14,779)	(182,801)	(49,896)	(30,000)	-
Total other financing sources (uses)	<u>118,584</u>	<u>(385,807)</u>	<u>(9,774)</u>	<u>(15,803)</u>	<u>49,251</u>	<u>(152,801)</u>	<u>(49,896)</u>	<u>520,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>620,929</u>	<u>5,757</u>	<u>185,182</u>	<u>(17,072)</u>	<u>244,861</u>	<u>2,414</u>	<u>(39,302)</u>	<u>204,492</u>	<u>-</u>
Cash and investments - ending	<u>\$ 897,296</u>	<u>\$ 8,651</u>	<u>\$ 98,250</u>	<u>\$ 207,020</u>	<u>\$ 154,969</u>	<u>\$ 3,350</u>	<u>\$ -</u>	<u>\$ 650,311</u>	<u>\$ 2,543</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	School Lunch	Textbook Rental	Educational License Plates	SAFE School Haven	Instruction Support	Scholarships and Awards	Miscellaneous Programs	Gifted and Talented	Medicaid Reimbursement
Cash and investments - beginning	\$ 157,352	\$ 96,663	\$ 1,408	\$ 757	\$ 3,400	\$ -	\$ 600	\$ 12,677	\$ -
Receipts:									
Local sources	324,985	118,311	-	-	14,294	8,000	-	-	-
Intermediate sources	-	-	56	-	-	-	-	-	-
State sources	7,368	-	-	-	-	-	-	29,249	1,379
Federal sources	126,478	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>458,831</u>	<u>118,311</u>	<u>56</u>	<u>-</u>	<u>14,294</u>	<u>8,000</u>	<u>-</u>	<u>29,249</u>	<u>1,379</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	17,081	-	-	22,902	-
Support services	-	133,873	-	-	-	-	-	1,777	-
Noninstructional services	414,628	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	8,000	-	-	-
Total disbursements	<u>414,628</u>	<u>133,873</u>	<u>-</u>	<u>-</u>	<u>17,081</u>	<u>8,000</u>	<u>-</u>	<u>24,679</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>44,203</u>	<u>(15,562)</u>	<u>56</u>	<u>-</u>	<u>(2,787)</u>	<u>-</u>	<u>-</u>	<u>4,570</u>	<u>1,379</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(6,781)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,781)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>44,203</u>	<u>(15,562)</u>	<u>56</u>	<u>-</u>	<u>(2,787)</u>	<u>-</u>	<u>-</u>	<u>(2,211)</u>	<u>1,379</u>
Cash and investments - ending	<u>\$ 201,555</u>	<u>\$ 81,101</u>	<u>\$ 1,464</u>	<u>\$ 757</u>	<u>\$ 613</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 10,466</u>	<u>\$ 1,379</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	Technology Grants [IC 20-40-15]	Miscellaneous Programs	Title I	P.L. Innovative Education Program Strategies Title V (Part A)	Drug Free Schools	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ 1,344	\$ 61,525	\$ 3,828	\$ 12,531	\$ 1,743	\$ 111	\$ -	\$ 20,092	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	920	-	-	-	-	-	-	-	-
Federal sources	-	-	-	61,651	544	3,489	2,250	21,026	23,203
Other	-	-	-	-	-	-	-	-	-
Total receipts	920	-	-	61,651	544	3,489	2,250	21,026	23,203
Disbursements:									
Current:									
Instruction	-	-	-	60,149	-	1,216	-	-	-
Support services	-	-	-	-	684	-	275	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	60,149	684	1,216	275	-	-
Excess (deficiency) of receipts over disbursements	920	-	-	1,502	(140)	2,273	1,975	21,026	23,203
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(1,049)	-	-	-	(1,603)	-	-	(41,118)	(23,203)
Total other financing sources (uses)	(1,049)	-	-	-	(1,603)	-	-	(41,118)	(23,203)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(129)	-	-	1,502	(1,743)	2,273	1,975	(20,092)	-
Cash and investments - ending	\$ 1,215	\$ 61,525	\$ 3,828	\$ 14,033	\$ -	\$ 2,384	\$ 1,975	\$ -	\$ -

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Extra-Curricular Clearing	School Lunch Clearing	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 488,861	\$ -	\$ -	\$ -	\$ (354)	\$ (960)	\$ 15,077	\$ 1,691,784
Receipts:								
Local sources	-	-	-	-	-	-	-	4,058,499
Intermediate sources	-	-	-	-	-	-	-	288
State sources	-	-	-	-	-	-	-	5,753,962
Federal sources	199,157	38,985	163,376	7,703	-	-	-	647,862
Other	-	-	-	-	11,578	282,917	1,965,824	2,262,309
Total receipts	<u>199,157</u>	<u>38,985</u>	<u>163,376</u>	<u>7,703</u>	<u>11,578</u>	<u>282,917</u>	<u>1,965,824</u>	<u>12,722,920</u>
Disbursements:								
Current:								
Instruction	555,234	34,001	157,497	7,703	-	-	-	4,862,768
Support services	132,784	-	-	-	-	-	-	3,219,677
Noninstructional services	-	-	-	-	-	-	-	423,918
Facilities acquisition and construction	-	-	-	-	-	-	-	125,413
Debt services	-	-	-	-	-	-	-	909,662
Nonprogrammed charges	-	-	-	-	11,559	287,682	1,963,601	2,445,878
Total disbursements	<u>688,018</u>	<u>34,001</u>	<u>157,497</u>	<u>7,703</u>	<u>11,559</u>	<u>287,682</u>	<u>1,963,601</u>	<u>11,987,316</u>
Excess (deficiency) of receipts over disbursements	<u>(488,861)</u>	<u>4,984</u>	<u>5,879</u>	<u>-</u>	<u>19</u>	<u>(4,765)</u>	<u>2,223</u>	<u>735,604</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	830,597
Transfers out	-	-	-	-	-	-	-	(830,597)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(488,861)</u>	<u>4,984</u>	<u>5,879</u>	<u>-</u>	<u>19</u>	<u>(4,765)</u>	<u>2,223</u>	<u>735,604</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,984</u>	<u>\$ 5,879</u>	<u>\$ -</u>	<u>\$ (335)</u>	<u>\$ (5,725)</u>	<u>\$ 17,300</u>	<u>\$ 2,427,388</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 897,296	\$ 8,651	\$ 98,250	\$ 207,020	\$ 154,969	\$ 3,350	\$ 650,311	\$ 2,543	\$ 201,555
Receipts:									
Local sources	247,372	823,179	443,371	761,174	709,731	206,442	-	-	312,437
Intermediate sources	232	-	-	-	-	-	-	-	-
State sources	5,896,858	-	-	-	-	-	-	-	7,000
Federal sources	1,644	-	-	-	-	-	-	-	170,301
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>6,146,106</u>	<u>823,179</u>	<u>443,371</u>	<u>761,174</u>	<u>709,731</u>	<u>206,442</u>	<u>-</u>	<u>-</u>	<u>489,738</u>
Disbursements:									
Current:									
Instruction	4,563,965	-	-	-	-	-	102,999	-	-
Support services	1,580,585	-	-	600,729	678,240	83,310	144,690	-	-
Noninstructional services	9,793	-	-	-	-	-	-	-	445,695
Facilities acquisition and construction	-	-	-	123,067	-	-	20,221	-	-
Debt services	-	549,060	365,816	-	-	-	-	-	-
Nonprogrammed charges	115,593	-	-	-	-	-	-	-	-
Total disbursements	<u>6,269,936</u>	<u>549,060</u>	<u>365,816</u>	<u>723,796</u>	<u>678,240</u>	<u>83,310</u>	<u>267,910</u>	<u>-</u>	<u>445,695</u>
Excess (deficiency) of receipts over disbursements	<u>(123,830)</u>	<u>274,119</u>	<u>77,555</u>	<u>37,378</u>	<u>31,491</u>	<u>123,132</u>	<u>(267,910)</u>	<u>-</u>	<u>44,043</u>
Other financing sources (uses):									
Transfers in	22,947	-	-	-	-	-	123,000	-	-
Transfers out	(9,424)	(1,392)	(768)	(2,972)	(1,317)	(123,205)	-	-	-
Total other financing sources (uses)	<u>13,523</u>	<u>(1,392)</u>	<u>(768)</u>	<u>(2,972)</u>	<u>(1,317)</u>	<u>(123,205)</u>	<u>123,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(110,307)</u>	<u>272,727</u>	<u>76,787</u>	<u>34,406</u>	<u>30,174</u>	<u>(73)</u>	<u>(144,910)</u>	<u>-</u>	<u>44,043</u>
Cash and investments - ending	<u>\$ 786,989</u>	<u>\$ 281,378</u>	<u>\$ 175,037</u>	<u>\$ 241,426</u>	<u>\$ 185,143</u>	<u>\$ 3,277</u>	<u>\$ 505,401</u>	<u>\$ 2,543</u>	<u>\$ 245,598</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	Instruction Support	Scholarships and Awards	Miscellaneous Programs	Gifted and Talented
Cash and investments - beginning	\$ 81,101	\$ -	\$ 1,464	\$ 757	\$ 613	\$ -	\$ 600	\$ 10,466
Receipts:								
Local sources	123,298	13,591	-	-	19,130	8,000	-	-
Intermediate sources	-	-	57	-	-	-	-	-
State sources	-	-	-	-	-	-	-	28,809
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>123,298</u>	<u>13,591</u>	<u>57</u>	<u>-</u>	<u>19,130</u>	<u>8,000</u>	<u>-</u>	<u>28,809</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	17,585	-	-	14,542
Support services	148,572	-	-	-	-	-	-	693
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	8,000	-	-
Total disbursements	<u>148,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,585</u>	<u>8,000</u>	<u>-</u>	<u>15,235</u>
Excess (deficiency) of receipts over disbursements	<u>(25,274)</u>	<u>13,591</u>	<u>57</u>	<u>-</u>	<u>1,545</u>	<u>-</u>	<u>-</u>	<u>13,574</u>
Other financing sources (uses):								
Transfers in	-	4,887	-	-	475	-	-	-
Transfers out	-	(13,591)	-	-	-	-	-	(7,933)
Total other financing sources (uses)	<u>-</u>	<u>(8,704)</u>	<u>-</u>	<u>-</u>	<u>475</u>	<u>-</u>	<u>-</u>	<u>(7,933)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(25,274)</u>	<u>4,887</u>	<u>57</u>	<u>-</u>	<u>2,020</u>	<u>-</u>	<u>-</u>	<u>5,641</u>
Cash and investments - ending	<u>\$ 55,827</u>	<u>\$ 4,887</u>	<u>\$ 1,521</u>	<u>\$ 757</u>	<u>\$ 2,633</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 16,107</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Miscellaneous Programs	Title I	Drug Free Schools	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ 1,379	\$ 1,215	\$ -	\$ 61,525	\$ 3,828	\$ 14,033	\$ 2,384	\$ 1,975
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	1,488	463	3,288	-	-	-	-	-
Federal sources	-	-	1,644	-	-	47,059	-	2,426
Other	-	-	-	-	-	-	-	-
Total receipts	1,488	463	4,932	-	-	47,059	-	2,426
Disbursements:								
Current:								
Instruction	-	-	-	57,929	-	61,608	1,317	-
Support services	812	-	-	4,680	-	-	-	2,286
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	812	-	-	62,609	-	61,608	1,317	2,286
Excess (deficiency) of receipts over disbursements	676	463	4,932	(62,609)	-	(14,549)	(1,317)	140
Other financing sources (uses):								
Transfers in	-	-	9,371	1,084	-	-	-	-
Transfers out	-	(1,215)	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,215)	9,371	1,084	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	676	(752)	14,303	(61,525)	-	(14,549)	(1,317)	140
Cash and investments - ending	\$ 2,055	\$ 463	\$ 14,303	\$ -	\$ 3,828	\$ (516)	\$ 1,067	\$ 2,115

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Improving Teaching Quality No Child Left Title II, Part A	Title I Grants to LEAs	Special Education Part B	Education Jobs	Extra-Curricular Clearing	School Lunch Clearing	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 4,984	\$ 5,879	\$ -	\$ (335)	\$ (5,725)	\$ 17,300	\$ 2,427,388
Receipts:								
Local sources	-	-	-	-	-	-	-	3,667,725
Intermediate sources	-	-	-	-	-	-	-	289
State sources	-	-	-	-	-	-	-	5,937,906
Federal sources	8,137	-	44,688	190,843	-	-	-	466,742
Other	-	-	-	-	10,979	339,595	1,900,453	2,251,027
Total receipts	8,137	-	44,688	190,843	10,979	339,595	1,900,453	12,323,689
Disbursements:								
Current:								
Instruction	-	5,037	50,567	164,639	-	-	-	5,040,188
Support services	8,137	-	-	26,204	-	-	-	3,278,938
Noninstructional services	-	-	-	-	-	-	-	455,488
Facilities acquisition and construction	-	-	-	-	-	-	-	143,288
Debt services	-	-	-	-	-	-	-	914,876
Nonprogrammed charges	-	-	-	-	10,708	340,675	1,897,191	2,372,167
Total disbursements	8,137	5,037	50,567	190,843	10,708	340,675	1,897,191	12,204,945
Excess (deficiency) of receipts over disbursements	-	(5,037)	(5,879)	-	271	(1,080)	3,262	118,744
Other financing sources (uses):								
Transfers in	-	53	-	-	-	-	-	161,817
Transfers out	-	-	-	-	-	-	-	(161,817)
Total other financing sources (uses)	-	53	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,984)	(5,879)	-	271	(1,080)	3,262	118,744
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (64)	\$ (6,805)	\$ 20,562	\$ 2,546,132

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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	\$ 143,272
Buildings	14,070,555
Improvements other than buildings	962,006
Transportation and equipment	1,872,764
Technology equipment	<u>1,153,099</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 18,201,696</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

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:		
Middle School Building	\$ 3,450,000	\$ 549,566
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds, Retirement	<u>3,610,000</u>	<u>367,966</u>
Total governmental activities debt	<u>\$ 7,060,000</u>	<u>\$ 917,532</u>

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

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

	<u>2009</u>	<u>2010</u>
Retirement/Severance Bond Debt Service	<u>\$ 1,540</u>	<u>\$ 99</u>

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

A similar comment appeared in the prior report.

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$1,229.77 were paid to the Internal Revenue Service in March and May 2011, for the period of 2008.

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)

Ruth Leistner, Treasurer, was requested to reimburse the School Corporation \$1,229.77 for penalties and interest. Ruth Leistner, Treasurer, reimbursed the School Corporation on February 27, 2012. (See Summary, page 41)

A similar comment appeared in the prior report.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The School Corporation had the following official bonds covering the Corporation Treasurer:

Term	Bond Company	Amount
07-01-07 to 06-30-08	Fidelity and Deposit Company of Maryland	\$ 50,000
07-01-08 to 06-30-09	Fidelity and Deposit Company of Maryland	50,000
07-01-09 to 06-30-10	Fidelity and Deposit Company of Maryland	50,000
07-01-10 to 06-30-11	Liberty Mutual	50,000

TEXTBOOK RENTAL FUND (Applies to Northeast Dubois Middle School)

The Textbook Rental Fund is paying for items such as reading books and laptops that are not being charged as part of the students' textbook rental. As a result, the balance of the Textbook Rental Fund has been depleted and there is an outstanding bill for the 2011-2012 science book adoption in the amount of \$18,576 that cannot be paid.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

REPAYMENTS AND TRANSFERS (Applies to Celestine Elementary)

The former Celestine Elementary Extra-Curricular Treasurer transferred \$5,000 on February 1, 2007, from the Instructional Fund (Textbook Rental) to the General Fund for cash flow purposes. Also, the former Extra-Curricular Treasurer erroneously deposited \$1,831 and \$1,302 of Instructional Fund receipts into the General Fund on May 5, 2006, and May 18, 2007, respectively. Repayments totaling \$5,000 were made during the 2010-2011 school year and \$2,000 was repaid on August 24, 2011. The current outstanding balance owed to the Textbook Rental Fund is \$1,133.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

A similar comment appeared in the prior report.

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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 NORTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

Compliance

We have audited the compliance of the Northeast Dubois County School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. 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, 2010 and 2011.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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

December 14, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 32,633	\$ -
FY 09-10			-	41,959
FY 10-11				
National School Lunch Program	10.555		145,969	-
FY 09-10			-	153,728
FY 10-11			-	-
Total for cluster			<u>178,602</u>	<u>195,687</u>
Total for federal grantor agency			<u>178,602</u>	<u>195,687</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		60,149	-
FY 09-10			-	61,607
FY 10-11				
ARRA - Title I Grants to Local Educational Agencies	84.389		34,000	4,984
FY 09-10			-	-
Total for cluster			<u>94,149</u>	<u>66,591</u>
Pass-Through Greater Jasper Consolidated Schools				
Special Education Cluster (IDEA)				
ARRA - Special Education -				
Grants to States (IDEA, Part B)	84.391			
FY 2010		33310-011-SN01	157,496	50,568
ARRA - Special Education -				
Preschool Grants (IDEA Preschool)	84.392			
FY 2010		44410-011-SN01	7,703	-
Total for cluster			<u>165,199</u>	<u>50,568</u>

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

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) -				
Education State Grants				
	84.394		559,062	-
			128,957	-
Total for cluster			<u>688,019</u>	<u>-</u>
Safe and Drug-Free Schools and Communities - State Grants				
	84.186		111	-
			1,105	430
			-	887
Total for program			<u>1,216</u>	<u>1,317</u>
State Grants for Innovative Programs				
	84.298		350	-
		06-2040 07-2040	1,936	-
Total for program			<u>2,286</u>	<u>-</u>
Improving Teacher Quality State Grants				
	84.367		20,092	-
			21,026	-
			23,203	-
Total for program			<u>64,321</u>	<u>-</u>
ARRA - Education Jobs Fund				
	84.410		-	190,843
Total for federal grantor agency			<u>1,015,190</u>	<u>309,319</u>
Total federal awards expended			<u>\$ 1,193,792</u>	<u>\$ 505,006</u>

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

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Northeast Dubois County School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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 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.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
National School Lunch Program	10.555	\$ 27,533	\$ 28,576
School Breakfast Program	10.553	6,121	7,301

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2011, with Dan Balka, Superintendent of Schools; Ruth Leistner, Treasurer; and DeAnn Meyer, Deputy Treasurer. The Official Response has been made a part of this report and may be found on page 40.

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION

Dan Balka, Superintendent
Bill Hochgesang, Trans. Director



Ruth Leistner, Treasurer
DeAnn Meyer, Deputy Treasurer

P.O. Box 158, 5379 E Main St.
Dubois, IN 47527

Phone # 812-678-2781
Fax # 812-678-4418

December 15, 2011

OFFICIAL RESPONSE

State Board of Accounts:

In response to the audit, we do pay our taxes in a timely manner. We have never failed to pay anything late because of financial problems.

Our Payroll Programmer has assured us that he will get this all corrected. He and his assistant are working on our program and as of right now they are calling it a glitch in the program.

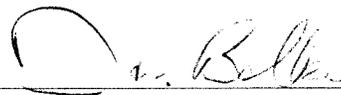
In the matter of reimbursing the school corporation, we feel the Payroll Programmer is responsible for this reimbursement. It is his program that prints out the taxes at the end of each payroll and this is what the Treasurer or Deputy Treasurer pay the taxes from.

We have discussed this with him, he did agree to give us half of the penalties and interest now. Although he said he would like to have these all corrected and checked before he issues any check because he thinks we do not owe any taxes, penalties, or interest and these will all be returned to us as soon as he can find the problem.

He says that he should have the answers in a couple of weeks.

Would it be possible to hold off on the final audit results and comments from you until we get his response and the response from the IRS?


Ruth Leistner, Treasurer


Dan Balka

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SUMMARY

	Charges	Credits	Balance Due
Ruth Leistner, Treasurer:			
Penalties, Interest, and Other Charges, page 26	\$ 1,229.77	\$	\$
Paid by Ruth Leistner, February 27, 2012,			
Receipt 0332		1,229.77	-
Totals	\$ 1,229.77	\$ 1,229.77	\$ -