

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

FAYETTE COUNTY SCHOOL CORPORATION  
FAYETTE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

03/05/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Finance/ Treasurer	John Perkins Jane Kellam-Tollett	07-01-09 to 06-30-10 07-01-10 to 06-30-12
Superintendent of Schools	Dr. Russell Hodges	07-01-09 to 06-30-12
President of the School Board	Dale Thomas Brad Wilson	07-01-09 to 06-30-10 07-01-10 to 12-31-12



**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 FAYETTE COUNTY SCHOOL  
CORPORATION, FAYETTE COUNTY, INDIANA

We have audited the accompanying financial statement of the Fayette County School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. The financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the 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(s) are 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 February 2, 2012, 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.

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

February 2, 2012



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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 FAYETTE COUNTY SCHOOL  
CORPORATION, FAYETTE COUNTY, INDIANA

We have audited the financial statement of the Fayette County School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 2, 2012. 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.

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

February 2, 2012

## FINANCIAL STATEMENT

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

FAYETTE 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	\$ 1,327,183	\$ 25,455,905	\$ 23,383,852	\$ 50,886	\$ 3,450,122	\$ 25,483,957	\$ 26,489,616	\$ 411,756	\$ 2,856,219
Debt Service	165,607	2,421,306	1,694,167	71,413	964,159	1,934,992	1,450,456	(622,611)	826,084
Retirement/Severance Bond Debt Service	7,142	318,395	215,778	-	109,759	211,018	211,205	-	109,572
Capital Projects	(145,859)	4,325,000	2,773,352	-	1,405,789	2,721,089	2,991,402	5,502	1,140,978
School Transportation	866,134	3,216,394	1,906,732	49,812	2,225,608	2,052,298	1,930,141	(13,991)	2,333,774
School Bus Replacement	41,710	769,092	703,803	16,798	123,797	636,419	-	-	760,216
Special Education Preschool	(3,113)	59,125	4,965	(51,047)	-	-	-	-	-
Rainy Day	4,660,000	-	-	-	4,660,000	-	-	622,611	5,282,611
Retirement/Severance Bond	977,088	-	200,000	-	777,088	-	200,000	-	577,088
Post-Retirement/Severance Future Benefits	202,078	-	30,050	55,208	227,236	-	29,434	55,963	253,765
School Lunch	686,457	1,916,186	1,888,986	26,098	739,755	1,966,774	2,230,053	8,313	484,789
Textbook Rental	606,776	332,541	350,144	-	589,173	315,069	178,843	-	725,399
Levy Excess	-	37,355	-	-	37,355	-	-	(37,355)	-
Centerville - Fayette - Rush Special Education Consortium	296,060	63,533	76,569	144	283,168	92,516	110,464	-	265,220
Joint Services and Supply - Area Vocational School	1,517,649	2,380,356	2,021,382	(175,733)	1,700,890	2,239,396	2,075,556	6,167	1,870,897
Whitewater Technical Capital Outlay	195,000	-	181,007	190,000	203,993	-	97,502	-	106,491
Child Care Program	8,753	245,524	257,663	-	(3,386)	227,075	241,254	-	(17,565)
Alternative Education	50,408	4,052	-	-	54,460	2,958	-	-	57,418
Early Intervention Grant	-	-	-	-	-	1,020	897	(123)	-
Even Start Fayette County Foundation Grant	2,732	-	2,732	-	-	-	-	-	-
Partnership in Education	938	-	373	-	565	-	565	-	-
Adult and Continuing Education	-	-	-	-	-	37,711	14,880	7,389	30,220
Qualified Zone Academy Bond	2,000,000	-	-	-	2,000,000	-	-	-	2,000,000
Middle School Renovations	(26,130)	-	-	26,130	-	-	-	-	-
Miscellaneous Programs	1,140	370	1,961	3,006	2,555	95	2,713	3,091	3,028
ISTRF / 401A Adjustments	11,458	-	-	-	11,458	-	-	(11,458)	-
Band Instruments	1,015	-	-	-	1,015	1,836	-	-	2,851
Eastview Laura Bush	-	5,500	-	-	5,500	-	5,500	-	-
Target Field Trip	302	801	745	-	358	-	358	-	-
Gifted and Talented 10-11	-	-	-	-	-	42,765	19,253	-	23,512
Connersville High School National									
Governor's Association Grant	29,733	-	6,121	-	23,612	-	6,432	-	17,180
Medicaid Reimbursement	14,501	-	-	-	14,501	-	-	(14,501)	-
Non-English Speaking Programs	1,563	-	-	-	1,563	58	-	-	1,621
School Technology	413,702	41,619	177,425	(26,130)	251,766	126,270	182,439	157	195,754
Access Indiana	-	2,500	2,500	-	-	-	-	-	-
Connersville Holding Corporation	27,729	-	25	-	27,704	-	5	-	27,699
Miscellaneous Clearing Account	37,822	73,480	103,846	-	7,456	-	1,934	(5,522)	-
Young Authors	3,995	3,392	-	-	7,387	3,509	4,181	-	6,715
Gifted and Talented	25,981	43,418	46,538	-	22,861	-	22,861	-	-
Textbook Rental State Reimbursement	612	143,667	147,830	4,415	864	108,673	116,118	7,252	671
Title I 08-09	227,233	79,999	217,799	(89,433)	-	-	-	-	-
Title I	-	850,949	808,659	89,433	131,723	623,600	830,992	-	(75,669)
Title I Frazee	9,053	-	9,053	-	-	-	-	-	-

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

FAYETTE 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  
(Continued)

	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
Title V 08-09	1,212	5,243	6,455	-	-	-	-	-	-
Special Education Part B	-	1,330,000	1,490,852	-	(160,852)	1,952,728	2,069,579	-	(277,703)
CFR (ROSS) Part B	20,940	104,722	116,237	-	9,425	4,930	14,355	-	-
CFR Part B 08-09	49,608	598,807	313,068	(335,347)	-	-	-	-	-
CFR Part B Carryover	91,973	-	292,910	335,347	134,410	-	134,410	-	-
CFR Preschool	13,735	64,201	82,155	(1,616)	(5,835)	86,753	87,477	-	(6,559)
CFR Preschool Carryover	-	-	1,616	1,616	-	-	-	-	-
Adult Education and Family Literacy	8,776	-	8,776	-	-	-	-	-	-
WTCC Adult Based Education 09-10	-	99,472	84,825	-	14,647	-	14,647	-	-
WTCC Adult Based Education 10-11	-	-	-	-	-	56,201	74,952	-	(18,751)
Adult Education Corporate	25,097	3,274	19,782	-	8,589	-	1,200	(7,389)	-
Drug Free Schools 08-09	2,544	-	12,544	10,000	-	-	-	-	-
Drug Free Schools 09-10	-	14,259	10,508	-	3,751	-	13,751	10,000	-
Drug Free Schools 10-11	-	-	-	-	-	12,290	12,290	-	-
Vocational and Technical Board Grants	-	-	-	-	-	173,385	161,035	-	12,350
WTCC Perkins 09-10	-	140,511	167,428	-	(26,917)	46,841	19,924	-	-
WTCC Perkins 08-09	(34,144)	46,486	12,342	-	-	-	-	-	-
Medicaid Reimbursement - Federal	750	-	300	-	450	17,571	660	(2,036)	15,325
Project Lead the Way	-	6,957	6,957	-	-	-	-	-	-
Head Start 08-09	(18,010)	145,443	127,433	-	-	-	-	-	-
Improving Teaching Quality	-	196,342	167,853	-	28,489	188,505	221,204	(10,000)	(14,210)
Enhanced Education Through Technology	-	123,489	97,801	-	25,688	6,300	31,988	-	-
Title II Part B Math and Science Partnership	6,530	-	6,530	-	-	-	-	-	-
Whitewater Technical Career Center Project Lead the Way	(1,000)	20,000	19,000	-	-	-	-	-	-
Even Start 08-09	-	-	16,145	-	-	-	-	-	-
Improving Teaching Quality 08-09	29,904	19,679	39,583	(10,000)	-	-	-	-	-
Adult Education 08-09	(3,517)	29,906	12,553	(13,836)	-	-	-	-	-
Adult Education 09-10	-	38,670	62,537	13,836	(10,031)	13,080	3,049	-	-
Project Lead the Way 09-10	-	15,000	15,000	-	-	-	-	-	-
Head Start 09-10	-	969,786	974,926	-	(5,140)	206,365	201,225	-	-
Project Lead the Way 10-11	-	832	1,891	-	(1,059)	14,168	13,109	-	-
Head Start 10-11	-	-	-	-	-	919,891	940,128	-	(20,237)
Adult Education 10-11	-	-	-	-	-	14,953	16,526	-	(1,573)
Fiscal Stabilization - Education	2,139,019	808,084	2,947,103	-	-	-	-	-	-
ARRA Title I - Grants to LEAs	-	304,264	317,512	-	(13,248)	173,108	160,455	-	(595)
ARRA Special Education - Part B	-	1,788,981	1,408,574	-	380,407	135,111	544,010	-	(28,492)
ARRA Special Education - Part B - Preschool	-	45,785	41,169	-	4,616	20,671	25,259	-	28
ARRA Education Technology	-	220,000	191,377	-	28,623	42,879	71,502	-	-
ARRA School Lunch Equipment	-	11,842	11,842	-	-	-	-	-	-
ARRA Head Start	-	49,635	64,034	-	(14,399)	30,224	15,825	-	-
<b>Totals</b>	<b>\$ 16,594,514</b>	<b>\$ 49,989,629</b>	<b>\$ 46,363,675</b>	<b>\$ 241,000</b>	<b>\$ 20,461,468</b>	<b>\$ 42,945,052</b>	<b>\$ 44,293,614</b>	<b>\$ 413,215</b>	<b>\$ 19,526,121</b>

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

FAYETTE 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.

FAYETTE 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.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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:

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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.

FAYETTE COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

FAYETTE 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.

FAYETTE 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.

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FAYETTE 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	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 1,327,183	\$ 165,607	\$ 7,142	\$ (145,859)	\$ 866,134	\$ 41,710	\$ (3,113)	\$ 4,660,000	\$ 977,088	\$ 202,078
Receipts:										
Local sources	416,635	2,421,306	308,322	4,257,395	3,216,394	769,092	-	-	-	-
Intermediate sources	2,989	-	-	-	-	-	-	-	-	-
State sources	25,036,281	-	10,073	67,605	-	-	59,125	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>25,455,905</u>	<u>2,421,306</u>	<u>318,395</u>	<u>4,325,000</u>	<u>3,216,394</u>	<u>769,092</u>	<u>59,125</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	14,300,433	-	-	-	-	-	4,965	-	166,455	-
Support services	7,791,792	1,967	-	1,690,397	1,906,732	703,803	-	-	33,545	30,050
Noninstructional services	202,315	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,082,955	-	-	-	-	-	-
Debt services	-	1,692,200	215,778	-	-	-	-	-	-	-
Nonprogrammed charges	1,089,312	-	-	-	-	-	-	-	-	-
Total disbursements	<u>23,383,852</u>	<u>1,694,167</u>	<u>215,778</u>	<u>2,773,352</u>	<u>1,906,732</u>	<u>703,803</u>	<u>4,965</u>	<u>-</u>	<u>200,000</u>	<u>30,050</u>
Excess (deficiency) of receipts over disbursements	<u>2,072,053</u>	<u>727,139</u>	<u>102,617</u>	<u>1,551,648</u>	<u>1,309,662</u>	<u>65,289</u>	<u>54,160</u>	<u>-</u>	<u>(200,000)</u>	<u>(30,050)</u>
Other financing sources (uses):										
Sale of capital assets	143,258	-	-	-	49,812	-	-	-	-	-
Transfers in	-	71,413	-	-	-	16,798	-	-	-	55,208
Transfers out	(92,372)	-	-	-	-	-	(51,047)	-	-	-
Total other financing sources (uses)	<u>50,886</u>	<u>71,413</u>	<u>-</u>	<u>-</u>	<u>49,812</u>	<u>16,798</u>	<u>(51,047)</u>	<u>-</u>	<u>-</u>	<u>55,208</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,122,939</u>	<u>798,552</u>	<u>102,617</u>	<u>1,551,648</u>	<u>1,359,474</u>	<u>82,087</u>	<u>3,113</u>	<u>-</u>	<u>(200,000)</u>	<u>25,158</u>
Cash and investments - ending	<u>\$ 3,450,122</u>	<u>\$ 964,159</u>	<u>\$ 109,759</u>	<u>\$ 1,405,789</u>	<u>\$ 2,225,608</u>	<u>\$ 123,797</u>	<u>\$ -</u>	<u>\$ 4,660,000</u>	<u>\$ 777,088</u>	<u>\$ 227,236</u>

FAYETTE 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	Levy Excess	Centerville - Fayette - Rush Special Education Consortium	Joint Services and Supply Area Vocational School	Whitewater Technical Capital Outlay	Child Care Program	Alternative Education	Even Start Fayette County Foundation Grant	Partnership in Education
Cash and investments - beginning	\$ 686,457	\$ 606,776	\$ -	\$ 296,060	\$ 1,517,649	\$ 195,000	\$ 8,753	\$ 50,408	\$ 2,732	\$ 938
Receipts:										
Local sources	626,897	332,541	37,355	61,937	2,380,356	-	201,872	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	12,933	-	-	1,596	-	-	43,652	4,052	-	-
Federal sources	1,276,356	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,916,186</u>	<u>332,541</u>	<u>37,355</u>	<u>63,533</u>	<u>2,380,356</u>	<u>-</u>	<u>245,524</u>	<u>4,052</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	-	-	-	70,067	1,320,523	-	-	-	255	373
Support services	27,681	350,144	-	6,502	700,859	-	12,379	-	577	-
Noninstructional services	1,861,305	-	-	-	-	-	245,284	-	1,900	-
Facilities acquisition and construction	-	-	-	-	-	181,007	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,888,986</u>	<u>350,144</u>	<u>-</u>	<u>76,569</u>	<u>2,021,382</u>	<u>181,007</u>	<u>257,663</u>	<u>-</u>	<u>2,732</u>	<u>373</u>
Excess (deficiency) of receipts over disbursements	<u>27,200</u>	<u>(17,603)</u>	<u>37,355</u>	<u>(13,036)</u>	<u>358,974</u>	<u>(181,007)</u>	<u>(12,139)</u>	<u>4,052</u>	<u>(2,732)</u>	<u>(373)</u>
Other financing sources (uses):										
Sale of capital assets	26,098	-	-	144	14,267	-	-	-	-	-
Transfers in	-	-	-	-	-	190,000	-	-	-	-
Transfers out	-	-	-	-	(190,000)	-	-	-	-	-
Total other financing sources (uses)	<u>26,098</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>(175,733)</u>	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>53,298</u>	<u>(17,603)</u>	<u>37,355</u>	<u>(12,892)</u>	<u>183,241</u>	<u>8,993</u>	<u>(12,139)</u>	<u>4,052</u>	<u>(2,732)</u>	<u>(373)</u>
Cash and investments - ending	<u>\$ 739,755</u>	<u>\$ 589,173</u>	<u>\$ 37,355</u>	<u>\$ 283,168</u>	<u>\$ 1,700,890</u>	<u>\$ 203,993</u>	<u>\$ (3,386)</u>	<u>\$ 54,460</u>	<u>\$ -</u>	<u>\$ 565</u>

FAYETTE 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)

	Qualified Zone Academy Bond	Middle School Renovations	Miscellaneous Programs	ISTRF / 401A Adjustments	Band Instruments	Eastview Laura Bush	Target Field Trip	Connersville High School National Governor's Association Grant	Medicaid Reimbursement	Non-English Speaking Programs
Cash and investments - beginning	\$ 2,000,000	\$ (26,130)	\$ 1,140	\$ 11,458	\$ 1,015	\$ -	\$ 302	\$ 29,733	\$ 14,501	\$ 1,563
Receipts:										
Local sources	-	-	370	-	-	5,500	801	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	370	-	-	5,500	801	-	-	-
Disbursements:										
Current:										
Instruction	-	-	1,961	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	745	6,121	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,961	-	-	-	745	6,121	-	-
Excess (deficiency) of receipts over disbursements	-	-	(1,591)	-	-	5,500	56	(6,121)	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	3,006	-	-	-	-	-	-	-
Transfers in	-	26,130	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	26,130	3,006	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	26,130	1,415	-	-	5,500	56	(6,121)	-	-
Cash and investments - ending	\$ 2,000,000	\$ -	\$ 2,555	\$ 11,458	\$ 1,015	\$ 5,500	\$ 358	\$ 23,612	\$ 14,501	\$ 1,563

FAYETTE 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 Technology	Access Indiana	Connersville Holding Corporation	Miscellaneous Clearing Account	Young Authors	Gifted and Talented	Textbook Rental State Reimbursement	Title I 08-09	Title I	Title I Frazee
Cash and investments - beginning	\$ 413,702	\$ 2,500	\$ 27,729	\$ 37,822	\$ 3,995	\$ 25,981	\$ 612	\$ 227,233	\$ -	\$ 9,053
Receipts:										
Local sources	-	-	-	-	3,392	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	41,619	-	-	-	-	43,418	143,667	-	-	-
Federal sources	-	-	-	-	-	-	-	79,999	850,949	-
Other	-	-	-	73,480	-	-	-	-	-	-
Total receipts	41,619	-	-	73,480	3,392	43,418	143,667	79,999	850,949	-
Disbursements:										
Current:										
Instruction	8,160	-	-	-	-	46,538	-	60,865	307,773	-
Support services	169,265	2,500	-	103,846	-	-	-	117,290	472,308	9,053
Noninstructional services	-	-	-	-	-	-	-	14,649	28,578	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	25	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	147,830	24,995	-	-
Total disbursements	177,425	2,500	25	103,846	-	46,538	147,830	217,799	808,659	9,053
Excess (deficiency) of receipts over disbursements	(135,806)	(2,500)	(25)	(30,366)	3,392	(3,120)	(4,163)	(137,800)	42,290	(9,053)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	4,415	-	-	-
Transfers in	-	-	-	-	-	-	-	-	89,433	-
Transfers out	(26,130)	-	-	-	-	-	-	(89,433)	-	-
Total other financing sources (uses)	(26,130)	-	-	-	-	-	4,415	(89,433)	89,433	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(161,936)	(2,500)	(25)	(30,366)	3,392	(3,120)	252	(227,233)	131,723	(9,053)
Cash and investments - ending	\$ 251,766	\$ -	\$ 27,704	\$ 7,456	\$ 7,387	\$ 22,861	\$ 864	\$ -	\$ 131,723	\$ -

FAYETTE 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)

	Title V 08-09	Special Education Part B	CFR (ROSS) Part B	CFR Part B 08-09	CFR Part B Carryover	CFR Preschool	CFR Preschool Carryover	Adult Education and Family Literacy	WTCC Adult Based Education 09-10
Cash and investments - beginning	\$ 1,212	\$ -	\$ 20,940	\$ 49,608	\$ 91,973	\$ 13,735	\$ -	\$ 8,776	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	5,243	1,330,000	104,722	598,807	-	64,201	-	-	99,472
Other	-	-	-	-	-	-	-	-	-
Total receipts	5,243	1,330,000	104,722	598,807	-	64,201	-	-	99,472
Disbursements:									
Current:									
Instruction	6,123	1,096,664	116,237	253,960	69,745	-	-	13,577	11,788
Support services	332	394,188	-	59,108	223,165	82,155	1,616	(4,801)	73,037
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,455	1,490,852	116,237	313,068	292,910	82,155	1,616	8,776	84,825
Excess (deficiency) of receipts over disbursements	(1,212)	(160,852)	(11,515)	285,739	(292,910)	(17,954)	(1,616)	(8,776)	14,647
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	335,347	-	1,616	-	-
Transfers out	-	-	-	(335,347)	-	(1,616)	-	-	-
Total other financing sources (uses)	-	-	-	(335,347)	335,347	(1,616)	1,616	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,212)	(160,852)	(11,515)	(49,608)	42,437	(19,570)	-	(8,776)	14,647
Cash and investments - ending	\$ -	\$ (160,852)	\$ 9,425	\$ -	\$ 134,410	\$ (5,835)	\$ -	\$ -	\$ 14,647

FAYETTE 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)

	Adult Education Corporate	Drug Free Schools 08-09	Drug Free Schools 09-10	WTCC Perkins 09-10	WTCC Perkins 08-09	Medicaid Reimbursement Federal	Project Lead the Way	Head Start 08-09	Improving Teaching Quality
Cash and investments - beginning	\$ 25,097	\$ 2,544	\$ -	\$ -	\$ (34,144)	\$ 750	\$ -	\$ (18,010)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	3,274	-	14,259	140,511	46,486	-	6,957	145,443	196,342
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,274</u>	<u>-</u>	<u>14,259</u>	<u>140,511</u>	<u>46,486</u>	<u>-</u>	<u>6,957</u>	<u>145,443</u>	<u>196,342</u>
Disbursements:									
Current:									
Instruction	19,782	11,921	10,508	71,249	12,342	230	2,256	127,433	167,853
Support services	-	-	-	96,179	-	70	4,701	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	623	-	-	-	-	-	-	-
Total disbursements	<u>19,782</u>	<u>12,544</u>	<u>10,508</u>	<u>167,428</u>	<u>12,342</u>	<u>300</u>	<u>6,957</u>	<u>127,433</u>	<u>167,853</u>
Excess (deficiency) of receipts over disbursements	<u>(16,508)</u>	<u>(12,544)</u>	<u>3,751</u>	<u>(26,917)</u>	<u>34,144</u>	<u>(300)</u>	<u>-</u>	<u>18,010</u>	<u>28,489</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	10,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,000</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>(16,508)</u>	<u>(2,544)</u>	<u>3,751</u>	<u>(26,917)</u>	<u>34,144</u>	<u>(300)</u>	<u>-</u>	<u>18,010</u>	<u>28,489</u>
Cash and investments - ending	<u>\$ 8,589</u>	<u>\$ -</u>	<u>\$ 3,751</u>	<u>\$ (26,917)</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,489</u>

FAYETTE 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)

	Enhanced Education Through Technology	Title II Part B Math and Science Partnership	Whitewater Technical Career Center Project Lead the Way	Even Start 08-09	Improving Teaching Quality 08-09	Adult Education 08-09	Adult Education 09-10	Project Lead the Way 09-10	Head Start 09-10
Cash and investments - beginning	\$ -	\$ 6,530	\$ (1,000)	\$ 16,145	\$ 29,904	\$ (3,517)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	123,489	-	20,000	-	19,679	29,906	38,670	15,000	969,786
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>123,489</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>19,679</u>	<u>29,906</u>	<u>38,670</u>	<u>15,000</u>	<u>969,786</u>
Disbursements:									
Current:									
Instruction	97,801	-	16,900	4,114	25,737	12,553	59,517	14,257	878,726
Support services	-	6,530	2,100	12,031	6,020	-	3,020	743	96,200
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	7,826	-	-	-	-
Total disbursements	<u>97,801</u>	<u>6,530</u>	<u>19,000</u>	<u>16,145</u>	<u>39,583</u>	<u>12,553</u>	<u>62,537</u>	<u>15,000</u>	<u>974,926</u>
Excess (deficiency) of receipts over disbursements	<u>25,688</u>	<u>(6,530)</u>	<u>1,000</u>	<u>(16,145)</u>	<u>(19,904)</u>	<u>17,353</u>	<u>(23,867)</u>	<u>-</u>	<u>(5,140)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	13,836	-	-
Transfers out	-	-	-	-	(10,000)	(13,836)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(13,836)</u>	<u>13,836</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>25,688</u>	<u>(6,530)</u>	<u>1,000</u>	<u>(16,145)</u>	<u>(29,904)</u>	<u>3,517</u>	<u>(10,031)</u>	<u>-</u>	<u>(5,140)</u>
Cash and investments - ending	<u>\$ 25,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,031)</u>	<u>\$ -</u>	<u>\$ (5,140)</u>

FAYETTE 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)

	Project Lead the Way 10-11	Fiscal Stabilization Education	ARRA Title I Grants to LEAs	ARRA Special Education Part B	ARRA Special Education Part B Preschool	ARRA Education Technology	ARRA School Lunch Equipment	ARRA Head Start	Totals
Cash and investments - beginning	\$ -	\$ 2,139,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,594,514
Receipts:									
Local sources	-	-	-	-	-	-	-	-	15,040,165
Intermediate sources	-	-	-	-	-	-	-	-	2,989
State sources	-	-	-	-	-	-	-	-	25,464,021
Federal sources	832	808,084	304,264	1,788,981	45,785	220,000	11,842	49,635	9,408,974
Other	-	-	-	-	-	-	-	-	73,480
Total receipts	<u>832</u>	<u>808,084</u>	<u>304,264</u>	<u>1,788,981</u>	<u>45,785</u>	<u>220,000</u>	<u>11,842</u>	<u>49,635</u>	<u>49,989,629</u>
Disbursements:									
Current:									
Instruction	1,891	2,947,103	228,643	588,432	-	191,377	-	64,034	23,411,121
Support services	-	-	88,869	820,142	41,169	-	-	-	16,144,130
Noninstructional services	-	-	-	-	-	-	11,842	-	2,365,873
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,263,962
Debt services	-	-	-	-	-	-	-	-	1,908,003
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,270,586
Total disbursements	<u>1,891</u>	<u>2,947,103</u>	<u>317,512</u>	<u>1,408,574</u>	<u>41,169</u>	<u>191,377</u>	<u>11,842</u>	<u>64,034</u>	<u>46,363,675</u>
Excess (deficiency) of receipts over disbursements	<u>(1,059)</u>	<u>(2,139,019)</u>	<u>(13,248)</u>	<u>380,407</u>	<u>4,616</u>	<u>28,623</u>	<u>-</u>	<u>(14,399)</u>	<u>3,625,954</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	241,000
Transfers in	-	-	-	-	-	-	-	-	809,781
Transfers out	-	-	-	-	-	-	-	-	(809,781)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,059)</u>	<u>(2,139,019)</u>	<u>(13,248)</u>	<u>380,407</u>	<u>4,616</u>	<u>28,623</u>	<u>-</u>	<u>(14,399)</u>	<u>3,866,954</u>
Cash and investments - ending	<u>\$ (1,059)</u>	<u>\$ -</u>	<u>\$ (13,248)</u>	<u>\$ 380,407</u>	<u>\$ 4,616</u>	<u>\$ 28,623</u>	<u>\$ -</u>	<u>\$ (14,399)</u>	<u>\$ 20,461,468</u>

FAYETTE 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	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 3,450,122	\$ 964,159	\$ 109,759	\$ 1,405,789	\$ 2,225,608	\$ 123,797	\$ 4,660,000	\$ 777,088	\$ 227,236
Receipts:									
Local sources	417,551	1,753,004	191,449	2,618,160	2,052,298	636,419	-	-	-
Intermediate sources	123	-	-	-	-	-	-	-	-
State sources	25,066,229	181,988	19,569	69,806	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	54	-	-	33,123	-	-	-	-	-
Total receipts	<u>25,483,957</u>	<u>1,934,992</u>	<u>211,018</u>	<u>2,721,089</u>	<u>2,052,298</u>	<u>636,419</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	17,113,627	-	-	-	-	-	-	190,310	-
Support services	8,058,686	172,194	-	1,775,258	1,930,141	-	-	9,690	29,434
Noninstructional services	215,867	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,216,144	-	-	-	-	-
Debt services	8,121	1,278,262	211,205	-	-	-	-	-	-
Nonprogrammed charges	1,093,315	-	-	-	-	-	-	-	-
Total disbursements	<u>26,489,616</u>	<u>1,450,456</u>	<u>211,205</u>	<u>2,991,402</u>	<u>1,930,141</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>29,434</u>
Excess (deficiency) of receipts over disbursements	<u>(1,005,659)</u>	<u>484,536</u>	<u>(187)</u>	<u>(270,313)</u>	<u>122,157</u>	<u>636,419</u>	<u>-</u>	<u>(200,000)</u>	<u>(29,434)</u>
Other financing sources (uses):									
Sale of capital assets	327,668	-	-	5,502	55,065	-	-	-	-
Transfers in	140,051	-	-	-	37,355	-	622,611	-	55,963
Transfers out	(55,963)	(622,611)	-	-	(106,411)	-	-	-	-
Total other financing sources (uses)	<u>411,756</u>	<u>(622,611)</u>	<u>-</u>	<u>5,502</u>	<u>(13,991)</u>	<u>-</u>	<u>622,611</u>	<u>-</u>	<u>55,963</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(593,903)</u>	<u>(138,075)</u>	<u>(187)</u>	<u>(264,811)</u>	<u>108,166</u>	<u>636,419</u>	<u>622,611</u>	<u>(200,000)</u>	<u>26,529</u>
Cash and investments - ending	<u>\$ 2,856,219</u>	<u>\$ 826,084</u>	<u>\$ 109,572</u>	<u>\$ 1,140,978</u>	<u>\$ 2,333,774</u>	<u>\$ 760,216</u>	<u>\$ 5,282,611</u>	<u>\$ 577,088</u>	<u>\$ 253,765</u>

FAYETTE 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)

	School Lunch	Textbook Rental	Levy Excess	Centerville - Fayette - Rush Special Education Consortium	Joint Services and Supply Area Vocational School	Whitewater Technical Capital Outlay	Child Care Program	Alternative Education	Early Intervention Grant
Cash and investments - beginning	\$ 739,755	\$ 589,173	\$ 37,355	\$ 283,168	\$ 1,700,890	\$ 203,993	\$ (3,386)	\$ 54,460	\$ -
Receipts:									
Local sources	602,880	315,069	-	90,550	2,239,396	-	182,575	-	1,020
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	12,316	-	-	1,966	-	-	44,500	2,958	-
Federal sources	1,351,578	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,966,774</u>	<u>315,069</u>	<u>-</u>	<u>92,516</u>	<u>2,239,396</u>	<u>-</u>	<u>227,075</u>	<u>2,958</u>	<u>1,020</u>
Disbursements:									
Current:									
Instruction	-	-	-	70,363	1,375,528	-	-	-	-
Support services	27,422	178,843	-	40,101	593,700	-	17,951	-	-
Noninstructional services	2,202,631	-	-	-	-	-	223,303	-	897
Facilities acquisition and construction	-	-	-	-	-	97,502	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	106,328	-	-	-	-
Total disbursements	<u>2,230,053</u>	<u>178,843</u>	<u>-</u>	<u>110,464</u>	<u>2,075,556</u>	<u>97,502</u>	<u>241,254</u>	<u>-</u>	<u>897</u>
Excess (deficiency) of receipts over disbursements	<u>(263,279)</u>	<u>136,226</u>	<u>-</u>	<u>(17,948)</u>	<u>163,840</u>	<u>(97,502)</u>	<u>(14,179)</u>	<u>2,958</u>	<u>123</u>
Other financing sources (uses):									
Sale of capital assets	8,313	-	-	-	6,167	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(37,355)	-	-	-	-	-	(123)
Total other financing sources (uses)	<u>8,313</u>	<u>-</u>	<u>(37,355)</u>	<u>-</u>	<u>6,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(254,966)</u>	<u>136,226</u>	<u>(37,355)</u>	<u>(17,948)</u>	<u>170,007</u>	<u>(97,502)</u>	<u>(14,179)</u>	<u>2,958</u>	<u>-</u>
Cash and investments - ending	<u>\$ 484,789</u>	<u>\$ 725,399</u>	<u>\$ -</u>	<u>\$ 265,220</u>	<u>\$ 1,870,897</u>	<u>\$ 106,491</u>	<u>\$ (17,565)</u>	<u>\$ 57,418</u>	<u>\$ -</u>

FAYETTE 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)

	Partnership in Education	Adult and Continuing Education	Qualified Zone Academy Bond	Miscellaneous Programs	ISTRF / 401A Adjustments	Band Instruments	Eastview Laura Bush	Target Field Trip	Gifted and Talented 10-11
Cash and investments - beginning	\$ 565	\$ -	\$ 2,000,000	\$ 2,555	\$ 11,458	\$ 1,015	\$ 5,500	\$ 358	\$ -
Receipts:									
Local sources	-	37,711	-	1	-	1,836	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	42,765
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	94	-	-	-	-	-
Total receipts	-	37,711	-	95	-	1,836	-	-	42,765
Disbursements:									
Current:									
Instruction	565	12,496	-	1,883	-	-	5,500	-	19,253
Support services	-	2,384	-	761	-	-	-	358	-
Noninstructional services	-	-	-	69	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	565	14,880	-	2,713	-	-	5,500	358	19,253
Excess (deficiency) of receipts over disbursements	(565)	22,831	-	(2,618)	-	1,836	(5,500)	(358)	23,512
Other financing sources (uses):									
Sale of capital assets	-	-	-	3,091	-	-	-	-	-
Transfers in	-	7,389	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(11,458)	-	-	-	-
Total other financing sources (uses)	-	7,389	-	3,091	(11,458)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(565)	30,220	-	473	(11,458)	1,836	(5,500)	(358)	23,512
Cash and investments - ending	\$ -	\$ 30,220	\$ 2,000,000	\$ 3,028	\$ -	\$ 2,851	\$ -	\$ -	\$ 23,512

FAYETTE 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)

	Connersville High School National Governor's Association Grant	Medicaid Reimbursement	Non-English Speaking Programs	School Technology	Connersville Holding Corporation	Miscellaneous Clearing Account	Young Authors	Gifted and Talented	Textbook Rental State Reimbursement
Cash and investments - beginning	\$ 23,612	\$ 14,501	\$ 1,563	\$ 251,766	\$ 27,704	\$ 7,456	\$ 7,387	\$ 22,861	\$ 864
Receipts:									
Local sources	-	-	-	995	-	-	3,509	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	58	49,037	-	-	-	-	108,673
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	76,238	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	58	126,270	-	-	3,509	-	108,673
Disbursements:									
Current:									
Instruction	-	-	-	2,490	-	-	-	22,861	-
Support services	6,432	-	-	179,949	-	1,934	-	-	-
Noninstructional services	-	-	-	-	-	-	4,181	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	5	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	116,118
Total disbursements	6,432	-	-	182,439	5	1,934	4,181	22,861	116,118
Excess (deficiency) of receipts over disbursements	(6,432)	-	58	(56,169)	(5)	(1,934)	(672)	(22,861)	(7,445)
Other financing sources (uses):									
Sale of capital assets	-	-	-	157	-	-	-	-	7,252
Transfers in	-	-	-	-	-	1,934	-	-	-
Transfers out	-	(14,501)	-	-	-	(7,456)	-	-	-
Total other financing sources (uses)	-	(14,501)	-	157	-	(5,522)	-	-	7,252
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,432)	(14,501)	58	(56,012)	(5)	(7,456)	(672)	(22,861)	(193)
Cash and investments - ending	\$ 17,180	\$ -	\$ 1,621	\$ 195,754	\$ 27,699	\$ -	\$ 6,715	\$ -	\$ 671

FAYETTE 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)

	Title I	Special Education Part B	CFR (ROSS) Part B	CFR Part B Carryover	CFR Preschool	WTCC Adult Based Education 09-10	WTCC Adult Based Education 10-11	Adult Education Corporate	Drug Free Schools 09-10
Cash and investments - beginning	\$ 131,723	\$ (160,852)	\$ 9,425	\$ 134,410	\$ (5,835)	\$ 14,647	\$ -	\$ 8,589	\$ 3,751
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	623,600	1,952,728	4,930	-	86,753	-	56,201	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	623,600	1,952,728	4,930	-	86,753	-	56,201	-	-
Disbursements:									
Current:									
Instruction	350,228	1,276,620	14,355	26,790	-	18,368	15,604	1,200	13,161
Support services	427,510	792,959	-	107,620	87,477	(3,721)	59,348	-	157
Noninstructional services	30,536	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	22,718	-	-	-	-	-	-	-	433
Total disbursements	830,992	2,069,579	14,355	134,410	87,477	14,647	74,952	1,200	13,751
Excess (deficiency) of receipts over disbursements	(207,392)	(116,851)	(9,425)	(134,410)	(724)	(14,647)	(18,751)	(1,200)	(13,751)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	83,319	-	-	-	-	-	-	-	10,000
Transfers out	(83,319)	-	-	-	-	-	-	(7,389)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(7,389)	10,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(207,392)	(116,851)	(9,425)	(134,410)	(724)	(14,647)	(18,751)	(8,589)	(3,751)
Cash and investments - ending	\$ (75,669)	\$ (277,703)	\$ -	\$ -	\$ (6,559)	\$ -	\$ (18,751)	\$ -	\$ -

FAYETTE 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)

	Drug Free Schools 10-11	Vocational and Technical Board Grants	WTCC Perkins 09-10	Medicaid Reimbursement Federal	Improving Teaching Quality	Enhanced Education Through Technology	Adult Education 09-10	Head Start 09-10	Project Lead the Way 10-11
Cash and investments - beginning	\$ -	\$ -	\$ (26,917)	\$ 450	\$ 28,489	\$ 25,688	\$ (10,031)	\$ (5,140)	\$ (1,059)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	12,290	173,385	46,841	17,571	188,505	6,300	13,080	206,365	14,168
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>12,290</u>	<u>173,385</u>	<u>46,841</u>	<u>17,571</u>	<u>188,505</u>	<u>6,300</u>	<u>13,080</u>	<u>206,365</u>	<u>14,168</u>
Disbursements:									
Current:									
Instruction	12,290	60,948	10,054	660	208,128	25,688	2,809	201,225	12,359
Support services	-	100,087	9,870	-	6,803	6,300	240	-	750
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	6,273	-	-	-	-
Total disbursements	<u>12,290</u>	<u>161,035</u>	<u>19,924</u>	<u>660</u>	<u>221,204</u>	<u>31,988</u>	<u>3,049</u>	<u>201,225</u>	<u>13,109</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>12,350</u>	<u>26,917</u>	<u>16,911</u>	<u>(32,699)</u>	<u>(25,688)</u>	<u>10,031</u>	<u>5,140</u>	<u>1,059</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,036)	(10,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,036)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>12,350</u>	<u>26,917</u>	<u>14,875</u>	<u>(42,699)</u>	<u>(25,688)</u>	<u>10,031</u>	<u>5,140</u>	<u>1,059</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 12,350</u>	<u>\$ -</u>	<u>\$ 15,325</u>	<u>\$ (14,210)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FAYETTE 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)

	Head Start 10-11	Adult Education 10-11	ARRA Title I Grants to LEAs	ARRA Special Education Part B	ARRA Special Education Part B Preschool	ARRA Education Technology	ARRA Head Start	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (13,248)	\$ 380,407	\$ 4,616	\$ 28,623	\$ (14,399)	\$ 20,461,468
Receipts:								
Local sources	-	-	-	-	-	-	-	11,144,423
Intermediate sources	-	-	-	-	-	-	-	123
State sources	-	-	-	-	-	-	-	25,599,865
Federal sources	919,891	14,953	173,108	135,111	20,671	42,879	30,224	6,091,132
Temporary loans	-	-	-	-	-	-	-	76,238
Other	-	-	-	-	-	-	-	33,271
Total receipts	919,891	14,953	173,108	135,111	20,671	42,879	30,224	42,945,052
Disbursements:								
Current:								
Instruction	940,128	16,526	66,791	287,790	-	49,230	15,825	22,441,653
Support services	-	-	93,664	256,220	25,259	13,851	-	15,009,632
Noninstructional services	-	-	-	-	-	-	-	2,677,484
Facilities acquisition and construction	-	-	-	-	-	-	-	1,313,646
Debt services	-	-	-	-	-	-	-	1,497,593
Nonprogrammed charges	-	-	-	-	-	8,421	-	1,353,606
Total disbursements	940,128	16,526	160,455	544,010	25,259	71,502	15,825	44,293,614
Excess (deficiency) of receipts over disbursements	(20,237)	(1,573)	12,653	(408,899)	(4,588)	(28,623)	14,399	(1,348,562)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	413,215
Transfers in	-	-	-	-	-	-	-	958,622
Transfers out	-	-	-	-	-	-	-	(958,622)
Total other financing sources (uses)	-	-	-	-	-	-	-	413,215
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,237)	(1,573)	12,653	(408,899)	(4,588)	(28,623)	14,399	(935,347)
Cash and investments - ending	\$ (20,237)	\$ (1,573)	\$ (595)	\$ (28,492)	\$ 28	\$ -	\$ -	\$ 19,526,121

FAYETTE 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	\$ 5,500
Buildings	131,384,718
Improvements other than buildings	1,682,315
Machinery and equipment	<u>11,769,879</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 144,842,412</u></u>

FAYETTE 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:		
Multi-School Project 1998 - 2008	\$ 1,630,000	\$ 528,269
Middle School Project Refinanced 2011	12,290,000	965,000
Loans payable:		
Common School Technology	76,238	26,022
Bonds payable:		
General obligation bonds:		
Pension Bonds - Retirement and Severance	1,350,000	217,461
Qualified Zone Academy Bonds (QZAB)	2,000,000	665,000
Qualified Zone Construction Bonds (QZCB)	<u>1,720,153</u>	<u>225,000</u>
 Total governmental activities debt	 <u>\$ 19,066,391</u>	 <u>\$ 2,626,752</u>

FAYETTE COUNTY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

***OVERDRAWN FUND BALANCES***

The Child Care Program Fund was overdrawn at June 30, 2010, and at June 30, 2011.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL  
CORPORATION, FAYETTE COUNTY, INDIANA

Compliance

We have audited the compliance of the Fayette 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

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.

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

February 2, 2012

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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.

FAYETTE 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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	2395	\$ 272,870	\$ 290,063
National School Lunch Program	10.555	2395	1,049,414	1,097,047
Summer Food Service Program For Children	10.559	2395	<u>1,571</u>	<u>25,073</u>
Total for cluster			<u>1,323,855</u>	<u>1,412,183</u>
Child and Adult Care Food Program	10.558	2395	<u>8,611</u>	<u>11,247</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	10-2395	<u>11,842</u>	<u>-</u>
Total for federal grantor agency			<u>1,344,308</u>	<u>1,423,430</u>
<b>U.S. DEPARTMENT OF LABOR</b>				
Pass-Through Indiana Department of Education				
Trade Adjustment Assistance	17.245	5100171F09TAAGR 5100171F10TAAGR	8,950 <u>12,530</u>	- <u>-</u>
Total for program			<u>21,480</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-2395 10-2395 11-2395 09-Frazee	217,799 808,659 - <u>9,053</u>	- 115,765 715,227 <u>-</u>
Total for program			<u>1,035,511</u>	<u>830,992</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	2395	<u>317,512</u>	<u>160,455</u>
Total for cluster			<u>1,353,023</u>	<u>991,447</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	14208-048-DY01 14208-071-PY02 14209-071-PN01 14209-071-PY02 14209-033-DY16 14210-071-PN01 14211-071-PN01	35,940 91,973 313,068 200,936 80,295 1,490,852 <u>-</u>	- - - 134,411 14,355 641,863 <u>1,427,716</u>
Total for program			<u>2,213,064</u>	<u>2,218,345</u>
Special Education - Preschool Grants	84.173	45709-071-PN01 45709-071-PY02 45710-071-PN01 45711-071-PN01	12,119 1,616 70,035 <u>-</u>	- - 12,154 <u>75,322</u>
Total for program			<u>83,770</u>	<u>87,476</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	2395	<u>1,408,574</u>	<u>544,010</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	2395	<u>41,169</u>	<u>25,259</u>
Total for cluster			<u>3,746,577</u>	<u>2,875,090</u>

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

FAYETTE 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 (continued)				
Educational Technology State Grants Cluster				
Education Technology State Grants	84.318	C1092395	97,800	31,989
ARRA - Education Technology State Grants, Recovery Act	84.386	2395	191,377	71,502
Total for cluster			289,177	103,491
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund - Education				
State Grants, Recovery Act	84.394	2395	2,947,104	-
Adult Education - Basic Grants to States	84.002	FY2009-8010	8,776	-
		C1-7-RRS-6-06-WTCC	12,553	-
		FY2010-8010	84,827	14,647
		C1-7-RRS-6-06-WTCC	62,536	3,049
		FY2011-8010	-	74,952
		ABE-GED-TUT-10-WTCC	-	16,526
Total for program			168,692	109,174
Career and Technical Education - Basic Grants to States	84.048	09-4700-2395	167,428	-
		10-4700-2395	12,342	19,923
		11-4700-2395	-	161,035
Total for program			179,770	180,958
Safe and Drug-Free Schools and Communities - State Grants	84.186	07-2395	12,544	-
		08-2395	10,508	13,751
		09-2395	-	12,290
Total for program			23,052	26,041
Even Start - State Educational Agencies	84.213	FY 09/1007	16,145	-
Tech-Prep Education	84.243	C1-9-PLTW-8a-352	19,000	-
		C1-9-PLTW-86-352	6,957	-
		C1-9-PLTW-9a-352	15,000	-
		C1-10-PLTW-9-352	1,891	13,109
Total for program			42,848	13,109
State Grants for Innovative Programs	84.298	S318X050014	6,456	-
Mathematics and Science Partnerships	84.366	6000/182500	6,530	-
Improving Teacher Quality State Grants	84.367	07-2395	39,583	-
		08-2395	167,854	48,489
		09-2395	-	172,714
		10-2395	-	332
Total for program			207,437	221,535
Total for federal grantor agency			8,986,811	4,520,845

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

FAYETTE 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 HEALTH AND HUMAN SERVICES</u>				
Direct Grant				
Head Start Cluster				
Head Start	93.600	05-CH200/17	127,433	-
		05-CH200/18	974,926	201,226
		05-CH200/19	-	940,128
			<u>1,102,359</u>	<u>1,141,354</u>
Total for program			<u>1,102,359</u>	<u>1,141,354</u>
ARRA - Head Start	93.708	05SE2000/01	64,034	15,824
Total for cluster			<u>1,166,393</u>	<u>1,157,178</u>
Total federal awards expended			<u>\$ 11,518,992</u>	<u>\$ 7,101,453</u>

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

FAYETTE 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 Fayette 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	2009-2010	2010-2011
School Breakfast Program	10.553	\$ 18,375	\$ 15,163
National School Lunch Program	10.555	72,711	56,689

FAYETTE COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

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

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

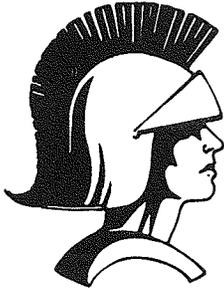
Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.



# *Fayette County School Corporation*

1401 Spartan Drive • Connersville, IN 47331  
Phone (765) 825-2178 • Fax (765) 825-8060

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding Number 2009-1

Original SBA Audit Report Number:	B 35956
Fiscal Year:	2009
Auditee Contact Person:	Jane Kellam-Tollett
Title of Contact Person:	Director of Finance
Phone Number:	765-825-2178
Status of Finding:	

The grant is now on a reimbursement basis and cash management is no longer an issue.

A handwritten signature in cursive script, appearing to read "Russell Hodges".

---

Dr. Russell Hodges, Superintendent

FAYETTE COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 2, 2012, with Brad Wilson, President of the School Board; Dr. Russell Hodges, Superintendent of Schools; and Jane Kellam-Tollett, Director of Finance/Treasurer.