

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
DUBOIS COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
03/16/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on the Financial Statement and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement	10-13
Supplementary Information: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	16-31
Schedule of Capital Assets	32
Schedule of Long-Term Debt	33
Audit Results and Comments: Travel Policy	34
Board Member Paid for Other Duties	34
Extra-Curricular Accounting Software Deficiencies	34-35
Deposits	35
Extra-Curricular Disbursements	35
Mileage Reimbursement	35
Receipts	36
Supplemental Audit of Federal Awards: 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	38-39
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44-45
Auditee Prepared Schedules: Summary Schedule of Prior Audit Findings	46
Corrective Action Plan	47
Exit Conference	48

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tracy A. Troesch	07-01-09 to 12-31-12
Superintendent of Schools	Robert K. Johnson Richard D. Allen (Interim) Richard D. Allen	07-01-09 to 12-31-10 01-01-11 to 06-30-11 07-01-11 to 12-31-12
President of the School Board	Kent Uebelhor	07-01-09 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

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

We have audited the accompanying financial statement of the Southeast 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 opinions.

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 14, 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 14, 2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 SOUTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

We have audited the financial statement of the Southeast Dubois County School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 14, 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 opinions 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 14, 2012

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.

SOUTHEAST 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		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 434,218	\$ 7,857,102	\$ 7,183,277	\$ 3,104	\$ 1,111,147	\$ 7,947,096	\$ 7,713,426	\$ 1,922	\$ 1,346,739	
Debt Service	154,376	2,004,647	1,353,277	(316,434)	489,312	1,591,509	1,385,698	-	695,123	
Retirement/Severance Bond Debt Service	79,436	491,671	360,348	(4,231)	206,528	363,823	363,285	-	207,066	
Capital Projects	361,656	1,878,671	768,711	(815,502)	656,114	1,456,444	925,139	(149,393)	1,038,026	
School Transportation	68,708	767,966	486,423	39,202	389,453	626,054	493,822	17,380	539,065	
School Bus Replacement	112,585	298,480	173,622	(52,810)	184,633	229,220	209,374	(175,000)	29,479	
Special Education Preschool	433	15,124	13,679	(1,878)	-	-	-	-	-	
Rainy Day	1,205,731	-	676,476	1,150,000	1,679,255	-	277,254	325,000	1,727,001	
Retirement/Severance Bond	352,459	-	11,745	-	340,714	-	-	-	340,714	
Construction	25,526	17,804	-	-	43,330	-	30,567	-	12,763	
School Lunch	215,704	558,143	535,312	-	238,535	542,529	514,590	-	266,474	
Textbook Rental	120,867	128,178	109,321	-	139,724	123,650	117,011	-	146,363	
Self-Insurance	276,241	995,063	1,050,932	-	220,372	958,282	1,082,517	-	96,137	
Levy Excess	-	-	-	-	-	-	-	-	-	
⊕ Educational License Plates	4,562	112	-	-	4,674	169	-	-	4,843	
Recreational Activities	-	2,000	2,000	-	-	-	-	-	-	
Welborn Heroes Grant	-	26,215	11,756	-	14,459	38,378	33,162	-	19,675	
PSI Iota Art Donation	-	2,000	2,000	-	-	-	-	-	-	
Toyota Library Book Grant	-	-	-	-	-	1,500	1,498	-	2	
Scholarships and Awards	22,557	390	1,545	-	21,402	1,580	500	-	22,482	
M. K. Ruhe Athletic	3,670	58	59	-	3,669	59	68	-	3,660	
R. Voges	3,695	1,056	300	-	4,451	52	-	-	4,503	
Blessinger	2,163	63	200	-	2,026	35	-	-	2,061	
C. Austin Scholarship	6,066	862	500	-	6,428	202	350	-	6,280	
E. F. Buechler Scholarship	9,825	208	200	-	9,833	143	200	-	9,776	
E. F. Buechler Athletic	15,105	296	-	-	15,401	222	807	-	14,816	
PSC Scholarship	-	1,000	500	-	500	1,000	1,500	-	-	
Eric Hempfling Memorial Scholarship	-	500	-	-	500	500	1,000	-	-	
Ron Gehlhausen Memorial Scholarship	-	500	500	-	-	500	500	-	-	
E. F. Buechler Facility	46,603	1,035	-	-	47,638	706	-	-	48,344	
Southeast Endowment	14,707	29,478	9,576	-	34,609	68,486	23,014	-	80,081	
Ferdinand Elementary	9,605	286	-	-	9,891	153	-	-	10,044	
Forest Park Endowment	7,570	225	-	-	7,795	121	-	-	7,916	
At Risk Grant	605	-	-	-	605	-	-	-	605	
QPR Suicide Prevention	2,117	3	2,119	(1)	-	-	-	-	-	

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

SOUTHEAST 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
Preschool Parent Funded	679	32,015	26,764	-	5,930	31,079	35,782	-	1,227
S.I.N.E. Grant	-	1,935	1,000	-	935	-	935	-	-
Drug Free Communities	-	1,100	120	-	980	-	495	-	485
Medicaid Reimbursement	1,522	1,866	-	(1,225)	2,163	3,540	-	(1,922)	3,781
Dream It Do It SW IN Project	-	-	2,350	-	(2,350)	3,000	650	-	-
Non-English Speaking Programs 09-10	-	613	280	-	333	-	333	-	-
Non-English Speaking Programs 10-11	-	-	-	-	-	687	487	-	200
School Technology	10,793	1,080	8,491	-	3,382	5,380	7,417	-	1,345
2nd Grade Laptop	-	6,600	6,600	-	-	-	-	-	-
Excess PTRC Distributions	-	-	-	-	-	17,380	-	(17,380)	-
Title I	-	91,856	88,058	-	3,798	-	3,798	-	-
ECIA Title I	3,580	-	3,580	-	-	75,188	75,190	-	(2)
P.LInnovative Education Program Strategies Title V (Part A)	709	-	709	-	-	-	-	-	-
Drug Free Schools 2009	-	-	-	-	-	954	954	-	-
Drug Free Schools 2007	1,413	-	1,413	-	-	-	-	-	-
Medicaid Reimbursement - Federal	3,575	5,366	3,642	-	5,299	10,189	3,376	-	12,112
PLTW Teacher Training	(2,000)	5,000	3,000	-	-	-	-	-	-
PLTW Equipment & Instrumentation	(5,000)	5,000	-	-	-	-	-	-	-
PLTW Teacher Training II	-	5,000	5,000	-	-	-	-	-	-
PLTW Equipment Matching Grant	-	5,000	5,000	-	-	-	-	-	-
PLTW Equipment Matching Grant II	-	5,000	5,000	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	692	20,332	21,024	-	-	34,879	34,879	-	-
Title II, Part A	-	27,263	30,070	-	(2,807)	9,480	6,673	-	-
Fiscal Stabilization - Education	670,894	277,221	948,115	-	-	-	-	-	-
Title I - Grants to LEAs (ARRA)	-	58,144	50,834	-	7,310	-	7,310	-	-
Special Education - Part B (ARRA)	-	249,913	246,254	-	3,659	49,550	53,266	-	(57)
Special Education - Part B - Preschool (ARRA)	-	9,950	9,048	-	902	1,156	2,058	-	-
Education Jobs	-	-	-	-	-	248,069	248,069	-	-
Totals	\$ 4,243,647	\$ 15,889,390	\$ 14,220,730	\$ 225	\$ 5,912,532	\$ 14,442,944	\$ 13,656,954	\$ 607	\$ 6,699,129

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

SOUTHEAST 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.

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

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.

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:

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.

SOUTHEAST DUBOIS 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 Superintendent 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.

SOUTHEAST 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 Plan

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.

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

(This page intentionally left blank.)

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.

SOUTHEAST 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
Cash and investments - beginning	\$ 434,218	\$ 154,376	\$ 79,436	\$ 361,656	\$ 68,708	\$ 112,585	\$ 433	\$ 1,205,731
Receipts:								
Local sources	140,957	2,004,647	491,671	1,878,255	767,966	298,480	-	-
Intermediate sources	124	-	-	-	-	-	-	-
State sources	7,716,021	-	-	-	-	-	15,124	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	416	-	-	-	-
Total receipts	<u>7,857,102</u>	<u>2,004,647</u>	<u>491,671</u>	<u>1,878,671</u>	<u>767,966</u>	<u>298,480</u>	<u>15,124</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	4,749,508	-	-	-	-	-	13,679	534,509
Support services	1,980,090	-	-	522,630	486,423	173,622	-	141,967
Noninstructional services	232,236	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	246,081	-	-	-	-
Debt services	-	1,353,277	360,348	-	-	-	-	-
Nonprogrammed charges	221,443	-	-	-	-	-	-	-
Total disbursements	<u>7,183,277</u>	<u>1,353,277</u>	<u>360,348</u>	<u>768,711</u>	<u>486,423</u>	<u>173,622</u>	<u>13,679</u>	<u>676,476</u>
Excess (deficiency) of receipts over disbursements	<u>673,825</u>	<u>651,370</u>	<u>131,323</u>	<u>1,109,960</u>	<u>281,543</u>	<u>124,858</u>	<u>1,445</u>	<u>(676,476)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	225	-	-	-	-
Transfers in	3,104	-	-	-	45,291	-	-	1,150,000
Transfers out	-	(316,434)	(4,231)	(815,727)	(6,089)	(52,810)	(1,878)	-
Total other financing sources (uses)	<u>3,104</u>	<u>(316,434)</u>	<u>(4,231)</u>	<u>(815,502)</u>	<u>39,202</u>	<u>(52,810)</u>	<u>(1,878)</u>	<u>1,150,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>676,929</u>	<u>334,936</u>	<u>127,092</u>	<u>294,458</u>	<u>320,745</u>	<u>72,048</u>	<u>(433)</u>	<u>473,524</u>
Cash and investments - ending	<u>\$ 1,111,147</u>	<u>\$ 489,312</u>	<u>\$ 206,528</u>	<u>\$ 656,114</u>	<u>\$ 389,453</u>	<u>\$ 184,633</u>	<u>\$ -</u>	<u>\$ 1,679,255</u>

SOUTHEAST 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)

	Retirement/ Severance Bond	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Recreational Activities
Cash and investments - beginning	\$ 352,459	\$ 25,526	\$ 215,704	\$ 120,867	\$ 276,241	\$ -	\$ 4,562	\$ -
Receipts:								
Local sources	-	17,804	370,366	107,069	995,063	-	-	2,000
Intermediate sources	-	-	-	-	-	-	112	-
State sources	-	-	12,352	21,109	-	-	-	-
Federal sources	-	-	175,425	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	17,804	558,143	128,178	995,063	-	112	2,000
Disbursements:								
Current:								
Instruction	10,558	-	-	-	-	-	-	-
Support services	1,187	-	8,857	109,321	-	-	-	-
Noninstructional services	-	-	526,455	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	2,000
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,050,932	-	-	-
Total disbursements	11,745	-	535,312	109,321	1,050,932	-	-	2,000
Excess (deficiency) of receipts over disbursements	(11,745)	17,804	22,831	18,857	(55,869)	-	112	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	45,291	-	-
Transfers out	-	-	-	-	-	(45,291)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,745)	17,804	22,831	18,857	(55,869)	-	112	-
Cash and investments - ending	\$ 340,714	\$ 43,330	\$ 238,535	\$ 139,724	\$ 220,372	\$ -	\$ 4,674	\$ -

SOUTHEAST 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)

	Welborn Heroes Grant	PSI Iota Art Donation	Toyota Library Book Grant	Scholarships and Awards	M. K. Ruhe Athletic	R. Voges	Blessinger	C. Austin Scholarship
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 22,557	\$ 3,670	\$ 3,695	\$ 2,163	\$ 6,066
Receipts:								
Local sources	-	2,000	-	390	58	1,056	63	862
Intermediate sources	26,215	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>26,215</u>	<u>2,000</u>	<u>-</u>	<u>390</u>	<u>58</u>	<u>1,056</u>	<u>63</u>	<u>862</u>
Disbursements:								
Current:								
Instruction	-	2,000	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	11,756	-	-	-	59	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,545	-	300	200	500
Total disbursements	<u>11,756</u>	<u>2,000</u>	<u>-</u>	<u>1,545</u>	<u>59</u>	<u>300</u>	<u>200</u>	<u>500</u>
Excess (deficiency) of receipts over disbursements	<u>14,459</u>	<u>-</u>	<u>-</u>	<u>(1,155)</u>	<u>(1)</u>	<u>756</u>	<u>(137)</u>	<u>362</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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>14,459</u>	<u>-</u>	<u>-</u>	<u>(1,155)</u>	<u>(1)</u>	<u>756</u>	<u>(137)</u>	<u>362</u>
Cash and investments - ending	<u>\$ 14,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,402</u>	<u>\$ 3,669</u>	<u>\$ 4,451</u>	<u>\$ 2,026</u>	<u>\$ 6,428</u>

SOUTHEAST 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)

	E. F. Buechler Scholarship	E. F. Buechler Athletic	PSC Scholarship	Eric Hempfling Memorial Scholarship	Ron Gehlhausen Memorial Scholarship	E. F. Buechler Facility	Southeast Endowment	Ferdinand Elementary
Cash and investments - beginning	\$ 9,825	\$ 15,105	\$ -	\$ -	\$ -	\$ 46,603	\$ 14,707	\$ 9,605
Receipts:								
Local sources	208	296	1,000	500	500	1,035	29,478	286
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>208</u>	<u>296</u>	<u>1,000</u>	<u>500</u>	<u>500</u>	<u>1,035</u>	<u>29,478</u>	<u>286</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	2,107	-
Support services	-	-	-	-	-	-	399	-
Noninstructional services	-	-	-	-	-	-	500	-
Facilities acquisition and construction	-	-	-	-	-	-	6,570	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	200	-	500	-	500	-	-	-
Total disbursements	<u>200</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>9,576</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8</u>	<u>296</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>1,035</u>	<u>19,902</u>	<u>286</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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>8</u>	<u>296</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>1,035</u>	<u>19,902</u>	<u>286</u>
Cash and investments - ending	<u>\$ 9,833</u>	<u>\$ 15,401</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 47,638</u>	<u>\$ 34,609</u>	<u>\$ 9,891</u>

SOUTHEAST 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)

	Forest Park Endowment	At Risk Grant	QPR Suicide Prevention	Preschool Parent Funded	S.I.N.E. Grant	Drug Free Communities	Medicaid Reimbursement	Dream It Do It SW IN Project
Cash and investments - beginning	\$ 7,570	\$ 605	\$ 2,117	\$ 679	\$ -	\$ -	\$ 1,522	\$ -
Receipts:								
Local sources	225	-	3	32,015	1,935	-	-	-
Intermediate sources	-	-	-	-	-	1,100	-	-
State sources	-	-	-	-	-	-	1,866	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>225</u>	<u>-</u>	<u>3</u>	<u>32,015</u>	<u>1,935</u>	<u>1,100</u>	<u>1,866</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	26,764	1,000	-	-	-
Support services	-	-	2,119	-	-	120	-	2,350
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>2,119</u>	<u>26,764</u>	<u>1,000</u>	<u>120</u>	<u>-</u>	<u>2,350</u>
Excess (deficiency) of receipts over disbursements	<u>225</u>	<u>-</u>	<u>(2,116)</u>	<u>5,251</u>	<u>935</u>	<u>980</u>	<u>1,866</u>	<u>(2,350)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(1)	-	-	-	(1,225)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,225)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>225</u>	<u>-</u>	<u>(2,117)</u>	<u>5,251</u>	<u>935</u>	<u>980</u>	<u>641</u>	<u>(2,350)</u>
Cash and investments - ending	<u>\$ 7,795</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 5,930</u>	<u>\$ 935</u>	<u>\$ 980</u>	<u>\$ 2,163</u>	<u>\$ (2,350)</u>

SOUTHEAST 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 09-10	Non-English Speaking Programs 10-11	School Technology	2nd Grade Laptop	Excess PTRC Distributions	Title I	ECIA Title I	Innovative Education Program Strategies Title V (Part A)
Cash and investments - beginning	\$ -	\$ -	\$ 10,793	\$ -	\$ -	\$ -	\$ 3,580	\$ 709
Receipts:								
Local sources	-	-	1,080	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	613	-	-	6,600	-	-	-	-
Federal sources	-	-	-	-	-	91,856	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	613	-	1,080	6,600	-	91,856	-	-
Disbursements:								
Current:								
Instruction	280	-	-	-	-	88,058	3,580	-
Support services	-	-	8,114	6,600	-	-	-	709
Noninstructional services	-	-	377	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	280	-	8,491	6,600	-	88,058	3,580	709
Excess (deficiency) of receipts over disbursements	333	-	(7,411)	-	-	3,798	(3,580)	(709)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	333	-	(7,411)	-	-	3,798	(3,580)	(709)
Cash and investments - ending	\$ 333	\$ -	\$ 3,382	\$ -	\$ -	\$ 3,798	\$ -	\$ -

SOUTHEAST 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)

	Drug Free Schools 2009	Drug Free Schools 2007	Medicaid Reimbursement - Federal	PLTW Teacher Training	PLTW Equipment & Instrumentation	PLTW Teacher Training II	PLTW Equipment Matching Grant	PLTW Equipment Matching Grant II
Cash and investments - beginning	\$ -	\$ 1,413	\$ 3,575	\$ (2,000)	\$ (5,000)	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	5,366	5,000	5,000	5,000	5,000	5,000
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	5,366	5,000	5,000	5,000	5,000	5,000
Disbursements:								
Current:								
Instruction	-	70	-	-	-	-	-	-
Support services	-	1,343	3,642	3,000	-	5,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	5,000	5,000
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	1,413	3,642	3,000	-	5,000	5,000	5,000
Excess (deficiency) of receipts over disbursements	-	(1,413)	1,724	2,000	5,000	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,413)	1,724	2,000	5,000	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 5,299	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHEAST 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)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II, Part A	Fiscal Stabilization - Education	Title I - Grants to LEAs (ARRA)	Special Education - Part B (ARRA)	Special Education - Part B - Preschool (ARRA)	Education Jobs	Totals
Cash and investments - beginning	\$ 692	\$ -	\$ 670,894	\$ -	\$ -	\$ -	\$ -	\$ 4,243,647
Receipts:								
Local sources	-	-	-	-	-	-	-	7,147,268
Intermediate sources	-	-	-	-	-	-	-	27,551
State sources	-	-	-	-	-	-	-	7,773,685
Federal sources	20,332	27,263	277,221	58,144	249,913	9,950	-	940,470
Other	-	-	-	-	-	-	-	416
Total receipts	<u>20,332</u>	<u>27,263</u>	<u>277,221</u>	<u>58,144</u>	<u>249,913</u>	<u>9,950</u>	<u>-</u>	<u>15,889,390</u>
Disbursements:								
Current:								
Instruction	21,024	30,070	541,820	42,557	196,477	9,048	-	6,273,109
Support services	-	-	358,438	8,277	49,777	-	-	3,873,985
Noninstructional services	-	-	47,857	-	-	-	-	819,240
Facilities acquisition and construction	-	-	-	-	-	-	-	264,651
Debt services	-	-	-	-	-	-	-	1,713,625
Nonprogrammed charges	-	-	-	-	-	-	-	1,276,120
Total disbursements	<u>21,024</u>	<u>30,070</u>	<u>948,115</u>	<u>50,834</u>	<u>246,254</u>	<u>9,048</u>	<u>-</u>	<u>14,220,730</u>
Excess (deficiency) of receipts over disbursements	<u>(692)</u>	<u>(2,807)</u>	<u>(670,894)</u>	<u>7,310</u>	<u>3,659</u>	<u>902</u>	<u>-</u>	<u>1,668,660</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	225
Transfers in	-	-	-	-	-	-	-	1,243,686
Transfers out	-	-	-	-	-	-	-	(1,243,686)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(692)</u>	<u>(2,807)</u>	<u>(670,894)</u>	<u>7,310</u>	<u>3,659</u>	<u>902</u>	<u>-</u>	<u>1,668,885</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (2,807)</u>	<u>\$ -</u>	<u>\$ 7,310</u>	<u>\$ 3,659</u>	<u>\$ 902</u>	<u>\$ -</u>	<u>\$ 5,912,532</u>

SOUTHEAST 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	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 1,111,147	\$ 489,312	\$ 206,528	\$ 656,114	\$ 389,453	\$ 184,633	\$ -	\$ 1,679,255
Receipts:								
Local sources	131,072	1,591,509	363,823	1,433,768	626,054	229,220	-	-
Intermediate sources	124	-	-	-	-	-	-	-
State sources	7,815,900	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	22,676	-	-	-	-
Total receipts	<u>7,947,096</u>	<u>1,591,509</u>	<u>363,823</u>	<u>1,456,444</u>	<u>626,054</u>	<u>229,220</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	5,149,931	-	-	-	-	-	-	109,034
Support services	2,177,800	-	-	581,913	493,822	209,374	-	168,220
Noninstructional services	281,785	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	343,226	-	-	-	-
Debt services	-	1,385,698	363,285	-	-	-	-	-
Nonprogrammed charges	103,910	-	-	-	-	-	-	-
Total disbursements	<u>7,713,426</u>	<u>1,385,698</u>	<u>363,285</u>	<u>925,139</u>	<u>493,822</u>	<u>209,374</u>	<u>-</u>	<u>277,254</u>
Excess (deficiency) of receipts over disbursements	<u>233,670</u>	<u>205,811</u>	<u>538</u>	<u>531,305</u>	<u>132,232</u>	<u>19,846</u>	<u>-</u>	<u>(277,254)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	607	-	-	-	-
Transfers in	1,922	-	-	-	17,380	-	-	325,000
Transfers out	-	-	-	(150,000)	-	(175,000)	-	-
Total other financing sources (uses)	<u>1,922</u>	<u>-</u>	<u>-</u>	<u>(149,393)</u>	<u>17,380</u>	<u>(175,000)</u>	<u>-</u>	<u>325,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>235,592</u>	<u>205,811</u>	<u>538</u>	<u>381,912</u>	<u>149,612</u>	<u>(155,154)</u>	<u>-</u>	<u>47,746</u>
Cash and investments - ending	<u>\$ 1,346,739</u>	<u>\$ 695,123</u>	<u>\$ 207,066</u>	<u>\$ 1,038,026</u>	<u>\$ 539,065</u>	<u>\$ 29,479</u>	<u>\$ -</u>	<u>\$ 1,727,001</u>

SOUTHEAST 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)

	Retirement/ Severance Bond	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Recreational Activities
Cash and investments - beginning	\$ 340,714	\$ 43,330	\$ 238,535	\$ 139,724	\$ 220,372	\$ -	\$ 4,674	\$ -
Receipts:								
Local sources	-	-	353,582	104,438	958,282	-	-	-
Intermediate sources	-	-	-	-	-	-	169	-
State sources	-	-	12,035	19,212	-	-	-	-
Federal sources	-	-	176,912	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	542,529	123,650	958,282	-	169	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	5,585	117,011	-	-	-	-
Noninstructional services	-	-	509,005	-	-	-	-	-
Facilities acquisition and construction	-	30,567	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,082,517	-	-	-
Total disbursements	-	30,567	514,590	117,011	1,082,517	-	-	-
Excess (deficiency) of receipts over disbursements	-	(30,567)	27,939	6,639	(124,235)	-	169	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(30,567)	27,939	6,639	(124,235)	-	169	-
Cash and investments - ending	<u>\$ 340,714</u>	<u>\$ 12,763</u>	<u>\$ 266,474</u>	<u>\$ 146,363</u>	<u>\$ 96,137</u>	<u>\$ -</u>	<u>\$ 4,843</u>	<u>\$ -</u>

SOUTHEAST 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)

	Welborn Heroes Grant	PSI Iota Art Donation	Toyota Library Book Grant	Scholarships and Awards	M. K. Ruhe Athletic	R. Voges	Blessinger	C. Austin Scholarship
Cash and investments - beginning	\$ 14,459	\$ -	\$ -	\$ 21,402	\$ 3,669	\$ 4,451	\$ 2,026	\$ 6,428
Receipts:								
Local sources	-	-	-	223	59	52	35	202
Intermediate sources	38,378	-	1,500	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	1,357	-	-	-	-
Total receipts	<u>38,378</u>	<u>-</u>	<u>1,500</u>	<u>1,580</u>	<u>59</u>	<u>52</u>	<u>35</u>	<u>202</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	1,498	-	-	-	-	-
Noninstructional services	33,162	-	-	-	68	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	500	-	-	-	350
Total disbursements	<u>33,162</u>	<u>-</u>	<u>1,498</u>	<u>500</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>350</u>
Excess (deficiency) of receipts over disbursements	<u>5,216</u>	<u>-</u>	<u>2</u>	<u>1,080</u>	<u>(9)</u>	<u>52</u>	<u>35</u>	<u>(148)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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>5,216</u>	<u>-</u>	<u>2</u>	<u>1,080</u>	<u>(9)</u>	<u>52</u>	<u>35</u>	<u>(148)</u>
Cash and investments - ending	<u>\$ 19,675</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 22,482</u>	<u>\$ 3,660</u>	<u>\$ 4,503</u>	<u>\$ 2,061</u>	<u>\$ 6,280</u>

SOUTHEAST 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)

	E. F. Buechler Scholarship	E. F. Buechler Athletic	PSC Scholarship	Eric Hempfling Memorial Scholarship	Ron Gehlhausen Memorial Scholarship	E. F. Buechler Facility	Southeast Endowment	Ferdinand Elementary
Cash and investments - beginning	\$ 9,833	\$ 15,401	\$ 500	\$ 500	\$ -	\$ 47,638	\$ 34,609	\$ 9,891
Receipts:								
Local sources	143	222	1,000	500	500	706	68,486	153
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	143	222	1,000	500	500	706	68,486	153
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	510	-
Support services	-	-	-	-	-	-	1,976	-
Noninstructional services	-	807	-	-	-	-	13,733	-
Facilities acquisition and construction	-	-	-	-	-	-	5,795	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	200	-	1,500	1,000	500	-	1,000	-
Total disbursements	200	807	1,500	1,000	500	-	23,014	-
Excess (deficiency) of receipts over disbursements	(57)	(585)	(500)	(500)	-	706	45,472	153
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(57)	(585)	(500)	(500)	-	706	45,472	153
Cash and investments - ending	\$ 9,776	\$ 14,816	\$ -	\$ -	\$ -	\$ 48,344	\$ 80,081	\$ 10,044

SOUTHEAST 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)

	Forest Park Endowment	At Risk Grant	QPR Suicide Prevention	Preschool Parent Funded	S.I.N.E. Grant	Drug Free Communities	Medicaid Reimbursement	Dream It Do It SW IN Project
Cash and investments - beginning	\$ 7,795	\$ 605	\$ -	\$ 5,930	\$ 935	\$ 980	\$ 2,163	\$ (2,350)
Receipts:								
Local sources	121	-	-	31,079	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	3,000
State sources	-	-	-	-	-	-	3,540	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>121</u>	<u>-</u>	<u>-</u>	<u>31,079</u>	<u>-</u>	<u>-</u>	<u>3,540</u>	<u>3,000</u>
Disbursements:								
Current:								
Instruction	-	-	-	35,782	935	-	-	-
Support services	-	-	-	-	-	495	-	650
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,782</u>	<u>935</u>	<u>495</u>	<u>-</u>	<u>650</u>
Excess (deficiency) of receipts over disbursements	<u>121</u>	<u>-</u>	<u>-</u>	<u>(4,703)</u>	<u>(935)</u>	<u>(495)</u>	<u>3,540</u>	<u>2,350</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(1,922)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,922)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>121</u>	<u>-</u>	<u>-</u>	<u>(4,703)</u>	<u>(935)</u>	<u>(495)</u>	<u>1,618</u>	<u>2,350</u>
Cash and investments - ending	<u>\$ 7,916</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 1,227</u>	<u>\$ -</u>	<u>\$ 485</u>	<u>\$ 3,781</u>	<u>\$ -</u>

SOUTHEAST 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)

	Non-English Speaking Programs 09-10	Non-English Speaking Programs 10-11	School Technology	2nd Grade Laptop	Excess PTRC Distributions	Title I	ECIA Title I	P.LInnovative Education Program Strategies Title V (Part A)
Cash and investments - beginning	\$ 333	\$ -	\$ 3,382	\$ -	\$ -	\$ 3,798	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	687	5,380	-	17,380	-	-	-
Federal sources	-	-	-	-	-	-	75,188	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	687	5,380	-	17,380	-	75,188	-
Disbursements:								
Current:								
Instruction	333	487	-	-	-	3,798	75,190	-
Support services	-	-	7,172	-	-	-	-	-
Noninstructional services	-	-	245	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	333	487	7,417	-	-	3,798	75,190	-
Excess (deficiency) of receipts over disbursements	(333)	200	(2,037)	-	17,380	(3,798)	(2)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(17,380)	-	-	-
Total other financing sources (uses)	-	-	-	-	(17,380)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(333)	200	(2,037)	-	-	(3,798)	(2)	-
Cash and investments - ending	\$ -	\$ 200	\$ 1,345	\$ -	\$ -	\$ -	\$ (2)	\$ -

SOUTHEAST 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)

	Drug Free Schools 2009	Drug Free Schools 2007	Medicaid Reimbursement - Federal	PLTW Teacher Training	PLTW Equipment & Instrumentation	PLTW Teacher Training II	PLTW Equipment Matching Grant	PLTW Equipment Matching Grant II
Cash and investments - beginning	\$ -	\$ -	\$ 5,299	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	954	-	10,189	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	954	-	10,189	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	954	-	3,376	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	954	-	3,376	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	6,813	-	-	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,813	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 12,112	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHEAST 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 II, Part A	Fiscal Stabilization - Education	Title I - Grants to LEAs (ARRA)	Special Education - Part B (ARRA)	Special Education - Part B - Preschool (ARRA)	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ (2,807)	\$ -	\$ 7,310	\$ 3,659	\$ 902	\$ -	\$ 5,912,532
Receipts:								
Local sources	-	-	-	-	-	-	-	5,895,229
Intermediate sources	-	-	-	-	-	-	-	43,171
State sources	-	-	-	-	-	-	-	7,874,134
Federal sources	34,879	9,480	-	-	49,550	1,156	248,069	606,377
Other	-	-	-	-	-	-	-	24,033
Total receipts	<u>34,879</u>	<u>9,480</u>	<u>-</u>	<u>-</u>	<u>49,550</u>	<u>1,156</u>	<u>248,069</u>	<u>14,442,944</u>
Disbursements:								
Current:								
Instruction	34,879	6,673	-	5,447	28,728	2,058	224,624	5,678,409
Support services	-	-	-	1,863	24,538	-	23,445	3,819,692
Noninstructional services	-	-	-	-	-	-	-	838,805
Facilities acquisition and construction	-	-	-	-	-	-	-	379,588
Debt services	-	-	-	-	-	-	-	1,748,983
Nonprogrammed charges	-	-	-	-	-	-	-	1,191,477
Total disbursements	<u>34,879</u>	<u>6,673</u>	<u>-</u>	<u>7,310</u>	<u>53,266</u>	<u>2,058</u>	<u>248,069</u>	<u>13,656,954</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>2,807</u>	<u>-</u>	<u>(7,310)</u>	<u>(3,716)</u>	<u>(902)</u>	<u>-</u>	<u>785,990</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	607
Transfers in	-	-	-	-	-	-	-	344,302
Transfers out	-	-	-	-	-	-	-	(344,302)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>2,807</u>	<u>-</u>	<u>(7,310)</u>	<u>(3,716)</u>	<u>(902)</u>	<u>-</u>	<u>786,597</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,699,129</u>

SOUTHEAST 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.

	Ending Balance
Other:	
Capital assets, not being depreciated:	
Land	\$ 1,467,857
Buildings	46,265,348
Improvements other than buildings	368,907
Machinery and equipment	743,513
Transportation equipment	530,013
Total other capital assets	\$ 49,375,638

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

Description of Debt	Ending Principal Balance	Principal Due Within One Year
Governmental activities:		
Capital leases:		
Jr./Sr. High Building	\$ 4,680,000	\$ 430,000
Cedar Crest Intermediate and Pine Ridge Elementary Buildings	9,165,000	300,000
Laser Printers	8,936	7,624
Loans payable:		
Indiana Bond Bank Loan, Forest Park Outside Facilities	345,000	50,000
Bonds payable:		
General obligation bonds:		
2004 General Obligation Pension Bonds, Retirement	<u>3,685,000</u>	<u>180,000</u>
Total governmental activities debt	<u>\$ 17,883,936</u>	<u>\$ 967,624</u>

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

TRAVEL POLICY

A travel policy was not presented for audit, except for an approved mileage rate; however, travel expenses were reimbursed. A travel policy needs to be adopted by the School Board and should address items such as tipping, phone calls, meal reimbursement or per diem, tolls, parking, etc.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

BOARD MEMBER PAID FOR OTHER DUTIES

A Board member was paid for driving a bus for extra-curricular activities.

Indiana Code 20-26-4-11 states in part: "An individual who is employed as a teacher or as a non-certified employee (as defined in IC 20-29-2-11) of the school corporation may not be a member of the governing body of the school corporation.

EXTRA-CURRICULAR ACCOUNTING SOFTWARE DEFICIENCIES

The financial records of the extra-curricular accounts (including school lunch and textbook rental) were maintained using Harmony Software. The following deficiencies were noted:

1. Users were not required to change their password. Passwords had not been changed since implementation of the software.
2. Audit trails did not exist for all information entered into the system. Fund balances changed without documentation of why the change was made. Some information entered by the Treasurer subsequently disappeared from the system and had to be recovered by the vendor. Purchase orders were not prenumbered by the system. The Treasurer had to manually number them upon use. The system allowed for the same number to be used more than once and information could be edited on the purchase order at anytime within the school year. Some fees collected in the textbook rental program were not reported as receipts but were reported as adjustments.

Changes to the accounting system's computer programs must be adequately controlled. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

Passwords are confidential keywords associated with the user ID to provide verification of the user's identity. Each user must have a unique user ID and password which must not be shared. Passwords must meet the following criteria: passwords must be changed every 30 days; passwords must be a minimum of six (6) characters in length; passwords must be a combination of alphabetic and numeric characters; passwords may not be the same for a user ID as the last five (5) passwords used by this user ID; individuals must assign their own passwords; and passwords must be encrypted while stored on the computer. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to trace all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. Audit trails must also identify the user that processed the transaction or updated the information. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

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

A similar comment was included in prior reports.

DEPOSITS (Applies to Forest Park Jr./Sr. High School)

The Jr./Sr. High School collected fees for student parking passes and summer P.E. These fees were held at the school and remitted to the Corporation Treasurer all at one time. Fees were held for periods exceeding 30 days prior to being deposited.

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay. . . ."

EXTRA-CURRICULAR DISBURSEMENTS (Applies to Forest Park Jr./Sr. High School)

Of the ten claims tested, nine claims had numerous errors. Further testing resulted in the same type of errors throughout the multiple funds tested. Some of the errors were lack of documentation for athletic meet entry fees, hospital EMT workers for football games, adding machine tapes for meals with no invoices, names not itemized on meal receipts, reimbursements for school bus drivers to school corporation, and security for football games.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

We observed that gift cards were purchased as incentives for students during the audit period.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

A similar comment appeared in the prior report.

MILEAGE REIMBURSEMENT (Applies to Forest Park Jr./Sr. High School)

Some employees were reimbursed for mileage without filing Mileage Claim, General Form 101.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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

RECEIPTS (Applies to Forest Park Jr./Sr. High School)

During the test of receipts, it was noted that all receipts were entered as either all cash or all checks. The Form SA-8 was used by the high school and the classification of checks and cash was designated on the form; however, the ECA Treasurer did not use the breakdown when receipting to the ledger.

Some receipts were written for amounts which could not be verified to bank deposits. Further examination disclosed that these may have been the result of checks being cashed instead of deposited and/or cash being used to make change.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: 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 SOUTHEAST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

Compliance

We have audited the compliance of the Southeast 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. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1.

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

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)

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.

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 Corrective Action Plan. 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

February 14, 2012

(This page intentionally left blank.)

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.

SOUTHEAST 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.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 09-10 FY 10-11	\$ 19,793 -	\$ - 20,678
Total for program			<u>19,793</u>	<u>20,678</u>
National School Lunch Program	10.555	FY 09-10 FY 10-11	209,346 -	- 202,922
Total for program			<u>209,346</u>	<u>202,922</u>
Total for federal grantor agency			<u>229,139</u>	<u>223,600</u>
U.S. DEPARTMENT OF LABOR				
Pass-Through University of Southern Indiana				
H-1B Job Training Grants				
Teacher Training	17.268		3,000	-
Teacher Training II			5,000	-
Equipment			5,000	-
Equipment II			<u>5,000</u>	<u>-</u>
Total for federal grantor agency			<u>18,000</u>	<u>-</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-2100 10-2100 11-2100	3,580 88,059 -	- 3,798 75,190
Total for program			<u>91,639</u>	<u>78,988</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	082318619	<u>50,835</u>	<u>7,310</u>
Total for cluster			<u>142,474</u>	<u>86,298</u>
Pass-Through Greater Jasper Consolidated Schools				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-011-SN01	<u>246,256</u>	<u>53,266</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-011-SN01	<u>9,048</u>	<u>2,058</u>
Total for cluster			<u>255,304</u>	<u>55,324</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grant FY 2010	84.394	FY 2009 FY 2010	770,920 <u>177,188</u>	- -
Total for cluster			<u>948,108</u>	<u>-</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	07-2100 08-2100	1,413 -	- 954
Total for program			<u>1,413</u>	<u>954</u>
State Grants for Innovative Programs	84.298	FY07	<u>709</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367	SY 08-09 SY 09-10 SY 10-11	21,024 30,070 -	- 6,673 34,879
Total for program			<u>51,094</u>	<u>41,552</u>
ARRA - Education Jobs Fund, Recovery Act	84.410	FY 2011	<u>-</u>	<u>248,068</u>
Total for federal grantor agency			<u>1,399,102</u>	<u>432,196</u>
Total federal awards expended			<u>\$ 1,646,241</u>	<u>\$ 655,796</u>

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

SOUTHEAST 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 Southeast 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
School Breakfast Program	10.553	\$ 4,471	\$ 4,097
National School Lunch Program	10.555	46,725	39,619

SOUTHEAST DUBOIS 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?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition 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.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1 - ALLOWABLE COSTS

Federal Agency: U.S. Department of Education
Federal Program: ARRA - Special Education - Grants to States, Recovery Act
CFDA Number: 84.391
Federal Award Number and Year (or Other Identifying Number): 33310-011-SN01
Pass-Through Entity: Greater Jasper Consolidated Schools

The Special Education - Grants to States are to be used for the excess cost of providing special education and related services to children with disabilities. Our review of grant expenditures noted fifteen disbursements related to professional development that did not appear to be related to special education services and thus would not be an allowable grant-related expense. These disbursements were for workshops, conferences and the travel expenses (i.e. airfare, hotels, meals, mileage) to attend workshops or conferences. Some of the workshops and conferences in question were geared toward specific, non-special education related groups such as principals, agriculture teachers, mathematics teachers, renaissance clubs, etc. Other workshops and conferences covered specific topics or programs that do not appear to be related to special education, such as Project Lead the Way, welding technology, safety, foreign language teaching methodology, leadership training, etc. While the remainder was for topics such as reading, writing, and math that could be related to special education, they benefited the entire school population and were paid entirely from the Special Education – Grants to States grant. All of the above disbursements were for professional development for general classroom teachers or administrators and not special education teachers or aides.

34 CFR 300.202 (a) states in part: "Amounts provided to the LEA under Part B of the Act . . . Must be used only to pay the excess costs of providing special education and related services to children with disabilities . . ."

Expenditures made for professional development which were not related to special education amount to \$11,748, which is considered a questioned cost.

Failure to adhere to this requirement could cause the School Corporation to have to reimburse the grantor agency for the unallowed costs. Noncompliance with grant requirements could also result in the School Corporation being deemed ineligible to receive federal awards in the future.

We recommended that the official responsible for handling the grants is aware of the grant requirements and that all disbursements of grant funds are for costs allowed per those grant requirements.

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Southeast Dubois County School Corporation

Board Members:

Kent Uebelhor
Larry Hochgesang
Matt Eckert
Cecelia Hamilton
Elaine Miller

432 E. 15th Street
Ferdinand, Indiana 47532-9199
(812) 367-1653
Fax (812) 367-1075

Richard D. Allen
Superintendent
Tracy Troesch
Treasurer
Barb Welp
Secretary

Finding No. 2010-1, Allowable Costs

Auditee Contact Person: Tracy Troesch
Title of Contact Person: Treasurer
Phone Number of Contact Person: (812) 367-1653

Expected Completion Date: Upon approval of the next federal grant with professional development budgeted.

The school corporation will require more documentation about how the professional development relates to the federal grant. The employee requesting the leave will have to document how the professional leave relates to the federal grant.

The treasurer will get written documentation of the grant requirements and allowable costs for the grant. The treasurer will not take verbal information about the grant from officials. The treasurer was told that this grant could be used for any professional development, not just special education professional development only. If the treasurer had more guidelines and specifications from the special education cooperative, only allowable expenditures would have been paid with the grant.



Treasurer, Southeast Dubois County School Corporation
February 2, 2012

SOUTHEAST DUBOIS COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2012, with Tracy A. Troesch, Treasurer; Richard D. Allen, Superintendent of Schools; and Kent Uebelhor, President of the School Board. The officials concurred with our audit findings.