

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

AUDIT REPORT
OF

NINEVEH-HENSLEY-JACKSON UNITED
SCHOOL CORPORATION

JOHNSON COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
03/31/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements 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 Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-23
Required Supplementary Information:	
Schedule of Funding Progress	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	33-36
Schedule of Long-Term Debt	37
Audit Results and Comments:	
Capital Asset Records	38
Average Daily Membership (ADM) – Incorrect Reporting to the State.....	38
Official Bond	39
Overdrawn Fund Balance.....	39
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.....	42-43
Schedule of Expenditures of Federal Awards	44
Notes to Schedule of Expenditures of Federal Awards.....	45
Schedule of Findings and Questioned Costs	46
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	47
Exit Conference.....	48
Official Response	49

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra J. West	07-01-07 to 06-30-10
Superintendent of Schools	John M. Reed	07-01-07 to 06-30-08
	Vacant	07-01-08 to 07-13-08
	Mark A. Millis	07-14-08 to 06-30-10
President of the School Board	Larry Kinser	01-01-07 to 12-31-07
	Paul Joseph Wells	01-01-08 to 12-31-08
	Ed Harvey	01-01-09 to 12-31-09
	Larry Kinser	01-01-10 to 12-31-10



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 FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE NINEVEH-HENSLEY-JACKSON
UNITED SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nineveh-Hensley-Jackson United School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 1, 2010, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Long-Term Debt is presented for additional analysis and is not a required part of the basic financial statements. The Schedule of Long-Term Debt, as listed in the Table of Contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 1, 2010



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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 FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE NINEVEH-HENSLEY-JACKSON
UNITED SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nineveh-Hensley-Jackson United School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

February 1, 2010

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,265,081	\$ -	\$ 77,699	\$ (7,187,382)
Support services	5,604,633	497,760	193,751	(4,913,122)
Noninstructional services	748,865	-	-	(748,865)
Facilities acquisition and construction	437,994	-	-	(437,994)
Debt service	5,895,002	-	-	(5,895,002)
Nonprogrammed charges	373,170	-	-	(373,170)
Total governmental activities	<u>\$ 20,324,745</u>	<u>\$ 497,760</u>	<u>\$ 271,450</u>	<u>(19,555,535)</u>
General receipts:				
Property taxes				7,689,129
Other local sources				3,488,407
State aid				5,760,333
Bonds and loans				3,479,197
Grants and contributions not restricted to specific programs				350,685
Sale of property				19,256
Investment earnings				111,732
Other				78,057
Total general receipts				<u>20,976,796</u>
Change in net assets				1,421,261
Net assets - beginning				<u>2,709,419</u>
Net assets - ending				<u>\$ 4,130,680</u>
<u>Assets</u>				
Cash and investments				\$ 3,759,720
Restricted assets:				
Cash and investments				<u>370,960</u>
Total assets				<u>\$ 4,130,680</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 370,960
Unrestricted				<u>3,759,720</u>
Total net assets				<u>\$ 4,130,680</u>

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 6,912,465	\$ -	\$ 85,109	\$ (6,827,356)
Support services	6,122,603	520,855	227,138	(5,374,610)
Noninstructional services	805,012	-	-	(805,012)
Facilities acquisition and construction	505,066	-	-	(505,066)
Debt service	7,863,218	-	-	(7,863,218)
Nonprogrammed charges	361,478	-	-	(361,478)
	<u>\$ 22,569,842</u>	<u>\$ 520,855</u>	<u>\$ 312,247</u>	<u>(21,736,740)</u>
Total governmental activities				
General receipts:				
Property taxes				9,536,373
Other local sources				983,548
State aid				7,397,324
Bonds and loans				4,908,689
Grants and contributions not restricted to specific programs				1,237,149
Sale of property				1,012
Investment earnings				123,098
Other				102,938
				<u>24,290,131</u>
Total general receipts				<u>24,290,131</u>
Change in net assets				2,553,391
Net assets - beginning				<u>4,130,680</u>
Net assets - ending				<u>\$ 6,684,071</u>
<u>Assets</u>				
Cash and investments				\$ 6,003,162
Restricted assets:				
Cash and investments				<u>680,909</u>
Total assets				<u>\$ 6,684,071</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 680,909
Unrestricted				<u>6,003,162</u>
Total net assets				<u>\$ 6,684,071</u>

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:						
Local sources	\$ 4,687,986	\$ 2,676,545	\$ 1,665,370	\$ 823,031	\$ 1,895,401	\$ 11,748,333
Intermediate sources	38,169	-	-	-	525	38,694
State sources	5,838,032	-	-	-	98,918	5,936,950
Federal sources	-	-	-	-	445,518	445,518
Temporary loans	1,803,098	113,139	1,049,238	-	513,722	3,479,197
Other	43,493	-	-	-	34,565	78,058
Total receipts	12,410,778	2,789,684	2,714,608	823,031	2,988,649	21,726,750
Disbursements:						
Current:						
Instruction	7,031,714	-	-	-	233,367	7,265,081
Support services	3,206,062	-	934,175	198,472	1,265,924	5,604,633
Noninstructional services	106,901	-	-	-	641,964	748,865
Facilities acquisition and construction	-	-	437,831	-	163	437,994
Debt services	1,969,766	2,591,433	657,624	-	676,179	5,895,002
Nonprogrammed charges	340,170	-	-	-	33,000	373,170
Total disbursements	12,654,613	2,591,433	2,029,630	198,472	2,850,597	20,324,745
Excess (deficiency) of receipts over disbursements	(243,835)	198,251	684,978	624,559	138,052	1,402,005
Other financing sources (uses):						
Sale of capital assets	8,663	-	-	802	9,791	19,256
Transfers in	-	-	-	-	15,476	15,476
Transfers out	-	(15,476)	-	-	-	(15,476)
Total other financing sources (uses)	8,663	(15,476)	-	802	25,267	19,256
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(235,172)	182,775	684,978	625,361	163,319	1,421,261
Cash and investments - beginning	843,752	204,866	869,312	30,391	761,098	2,709,419
Cash and investments - ending	\$ 608,580	\$ 387,641	\$ 1,554,290	\$ 655,752	\$ 924,417	\$ 4,130,680
Cash and Investment Assets - Ending						
Cash and investments	\$ 608,580	\$ -	\$ 1,554,290	\$ 655,752	\$ 941,098	\$ 3,759,720
Restricted assets:						
Cash and investments	-	387,641	-	-	(16,681)	370,960
Total cash and investment assets - ending	\$ 608,580	\$ 387,641	\$ 1,554,290	\$ 655,752	\$ 924,417	\$ 4,130,680
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 387,641	\$ -	\$ -	\$ (16,681)	\$ 370,960
Unrestricted	608,580	-	1,554,290	655,752	941,098	3,759,720
Total cash and investment fund balance - ending	\$ 608,580	\$ 387,641	\$ 1,554,290	\$ 655,752	\$ 924,417	\$ 4,130,680

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Debt Service	Capital Projects	School Bus Replacement	Construction Fund	Other	Totals
Receipts:							
Local sources	\$ 3,982,259	\$ 3,017,331	\$ 1,727,791	\$ 249,950	\$ -	\$ 2,185,887	\$ 11,163,218
Intermediate sources	-	-	-	-	-	656	656
State sources	7,482,433	-	-	-	-	110,967	7,593,400
Federal sources	-	-	-	-	-	1,353,320	1,353,320
Temporary loans	1,634,091	54,959	1,140,139	-	-	581,075	3,410,264
Other	68,475	-	-	-	-	34,463	102,938
Total receipts	13,167,258	3,072,290	2,867,930	249,950	-	4,266,368	23,623,796
Disbursements:							
Current:							
Instruction	6,307,506	-	-	-	-	604,959	6,912,465
Support services	3,755,775	-	951,771	-	-	1,415,057	6,122,603
Noninstructional services	112,299	-	-	-	-	692,713	805,012
Facilities acquisition and construction	-	-	411,825	-	92,462	779	505,066
Debt services	3,024,654	2,805,484	1,060,476	-	-	972,604	7,863,218
Nonprogrammed charges	320,228	-	-	-	-	41,250	361,478
Total disbursements	13,520,462	2,805,484	2,424,072	-	92,462	3,727,362	22,569,842
Excess (deficiency) of receipts over disbursements	(353,204)	266,806	443,858	249,950	(92,462)	539,006	1,053,954
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	1,498,425	-	1,498,425
Sale of capital assets	-	-	-	-	-	1,012	1,012
Total other financing sources (uses)	-	-	-	-	1,498,425	1,012	1,499,437
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(353,204)	266,806	443,858	249,950	1,405,963	540,018	2,553,391
Cash and investments - beginning	608,580	387,641	1,554,290	655,752	-	924,417	4,130,680
Cash and investments - ending	\$ 255,376	\$ 654,447	\$ 1,998,148	\$ 905,702	\$ 1,405,963	\$ 1,464,435	\$ 6,684,071
Cash and Investment Assets - Ending							
Cash and investments	\$ 255,376	\$ -	\$ 1,998,148	\$ 905,702	\$ 1,405,963	\$ 1,437,973	\$ 6,003,162
Restricted assets:							
Cash and investments	-	654,447	-	-	-	26,462	680,909
Total cash and investment assets - ending	\$ 255,376	\$ 654,447	\$ 1,998,148	\$ 905,702	\$ 1,405,963	\$ 1,464,435	\$ 6,684,071
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ 654,447	\$ -	\$ -	\$ -	\$ 26,462	\$ 680,909
Unrestricted	255,376	-	1,998,148	905,702	1,405,963	1,437,973	6,003,162
Total cash and investment fund balance - ending	\$ 255,376	\$ 654,447	\$ 1,998,148	\$ 905,702	\$ 1,405,963	\$ 1,464,435	\$ 6,684,071

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Retirement/ Severance Bond Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 39,431	
Total contributions	-	39,431	
Investment earnings:			
Interest	-	5,711	
Total investment earnings	-	5,711	
Total additions	-	45,142	
Deductions:			
Administrative and general	-	54,723	
Total deductions	-	54,723	
Deficiency of total additions over total deductions	-	(9,581)	
Cash and investment fund balance - beginning	46,159	156,016	
Cash and investment fund balance - ending	\$ 46,159	\$ 146,435	\$ 32,039
Net assets:			
Cash and investments	\$ 46,159	\$ 146,435	
Total net assets - cash and investment basis held in trust	\$ 46,159	\$ 146,435	

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Retirement/ Severance Bond Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 48,100	
Total contributions	-	48,100	
Investment earnings:			
Interest	-	5,934	
Total investment earnings	-	5,934	
Total additions	-	54,034	
Deductions:			
Administrative and general	-	39,952	
Total deductions	-	39,952	
Excess of total additions over total deductions	-	14,082	
Cash and investment fund balance - beginning	46,159	146,435	
Cash and investment fund balance - ending	\$ 46,159	\$ 160,517	\$ 32,773
Net assets:			
Cash and investments	\$ 46,159	\$ 160,517	
Total net assets - cash and investment basis held in trust	\$ 46,159	\$ 160,517	

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Nineveh-Hensley-Jackson United School Corporation

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

Joint Venture

The School Corporation is a participant with Beech Grove City Schools, Center Grove Community School Corporation, Clark-Pleasant Community School Corporation, Metropolitan School District of Franklin Township, Franklin Community School Corporation, Greenwood Community School Corporation, and Metropolitan School District of Perry Township in a joint venture to operate Central Nine Career Center which was created to provide vocational educational services. Central Nine Career Center's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Central Nine Career Center can be obtained from Central Nine Career Center, P.O. Box 710, Greenwood, Indiana, 46142.

The School Corporation is a participant with Center Grove Community School Corporation, Clark-Pleasant Community School Corporation, Franklin Community School Corporation, Greenwood Community School Corporation and Edinburgh Community School Corporation in a joint venture to operate Special Services-Johnson County Schools which was created to provide a comprehensive program of special education for handicapped children in Johnson County. Special Services-Johnson County Schools' continued existence depends on continued funding by the School Corporations. Complete financial statements for the Special Services-Johnson County Schools can be obtained from Special Services-Johnson County Schools, 500 Earlywood Drive, Franklin, Indiana, 46131.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The construction fund is used to account for receipts and disbursements concerning the renovation of and improvements to the elementary, intermediate and high school as well as the bus garage, administration office, technology and maintenance departments.

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school corporation's students.

Agency funds account for assets held by the School Corporation as an agent for federal and state government and for employees. This serves as a control account for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

The School Corporation does not have any enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

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

4. Long-Term Debt

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Equity Classification

Government-Wide Statements

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

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

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
Retirement/Severance Bond	\$ 16,681	\$ -
History Grant	1,311	1,561
School Lunch	-	12,578
Drug Free	-	1,693

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2009, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Stocks	\$ 46,060

Investment Policies

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

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments. At June 30, 2009, the School Corporation held investments in Stocks in the amount of \$46,060.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008
Debt Service	Other governmental funds	\$ 15,476

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

C. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	Balance as Restated July 1, 2007
Other governmental	\$ 643,903	\$ 117,195	\$ 761,098
Transportation Operating	140,652	(140,652)	-
Private-Purpose Trust Fund	132,557	23,459	156,016

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits To Employees

During 1998, the School Corporation joined with other governmental entities to form the South Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 12 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for its medical benefit to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$200,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$200,000 limit.

B. Holding Corporation

The School Corporation has entered into various capital leases with the Nineveh-Hensley-Jackson Intermediate School Building Corporation. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for 2007-2008 and 2008-2009 totaled \$1,467,500 and \$1,630,000 respectively

C. Subsequent Events

Beginning in 2009, the School Corporation general and special education operating funds' expenses are covered by state support and there will not be a property tax rate levied to support their expenses.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 143,229
Interest on net pension obligation	(11,923)
Adjustment to annual required contribution	13,587
Annual pension cost	144,893
Contributions made	139,582
Increase in net pension obligation	5,311
Net pension obligation, beginning of year	(164,449)
Net pension obligation, end of year	\$ (159,138)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	8.75%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 135,026	88%	\$ (192,073)
	06-30-07	151,293	82%	(164,449)
	06-30-08	144,893	96%	(159,138)

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

Teachers' Retirement Fund

Plan Description

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Funding Policy and Annual Pension Costs

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$230,918, \$225,649, and \$178,435, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Value Date	Actuarial Value Of Assets	Actuarial Accrued Liability - AAL	Excess Of Assets Over (Unfunded) AAL	Funded Ratio	Covered Payroll	Excess Unfunded AAL As A % Of Covered Payroll
07-01-06	\$ 1,481,187	\$ 1,978,542	\$ (497,355)	75%	\$ 1,724,484	29%
07-01-07	1,631,263	2,137,513	(506,250)	76%	1,569,041	32%
07-01-08	1,863,136	2,510,588	(647,452)	74%	1,783,969	36%

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Transportation Operating	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Educational License Plate
Receipts:						
Local sources	\$ 1,170,601	\$ 11,122	\$ -	\$ 436,716	\$ 170,046	\$ -
Intermediate sources	-	-	-	-	-	525
State sources	-	31,521	-	9,972	34,694	-
Federal sources	-	-	-	149,085	-	-
Temporary loans	442,226	-	-	-	-	-
Other	34,565	-	-	-	-	-
Total receipts	1,647,392	42,643	-	595,773	204,740	525
Disbursements:						
Current:						
Instruction	-	-	-	-	-	5,276
Support services	1,094,301	-	-	3,878	149,972	-
Noninstructional services	-	-	-	641,884	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	477,210	-	-	-	-	-
Nonprogrammed charges	-	33,000	-	-	-	-
Total disbursements	1,571,511	33,000	-	645,762	149,972	5,276
Excess (deficiency) of receipts over disbursements	75,881	9,643	-	(49,989)	54,768	(4,751)
Other financing sources (uses):						
Sale of capital assets	9,791	-	-	-	-	-
Transfers in	-	-	-	-	15,476	-
Total other financing sources (uses)	9,791	-	-	-	15,476	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	85,672	9,643	-	(49,989)	70,244	(4,751)
Cash and investments - beginning	140,652	25,638	229,406	149,277	175,982	5,075
Cash and investments - ending	<u>\$ 226,324</u>	<u>\$ 35,281</u>	<u>\$ 229,406</u>	<u>\$ 99,290</u>	<u>\$ 246,225</u>	<u>\$ 325</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 226,324	\$ 35,281	\$ 229,406	\$ 99,290	\$ 246,225	\$ 325
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 226,324</u>	<u>\$ 35,281</u>	<u>\$ 229,406</u>	<u>\$ 99,290</u>	<u>\$ 246,225</u>	<u>\$ 325</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	226,324	35,281	229,406	99,290	246,225	325
Total cash and investment fund balance - ending	<u>\$ 226,324</u>	<u>\$ 35,281</u>	<u>\$ 229,406</u>	<u>\$ 99,290</u>	<u>\$ 246,225</u>	<u>\$ 325</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	High Ability Learners Grant	Step Ahead	Drug Free Grant	School Technology Grant	Environmental Scientist Grant	Title I
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	22,731	-	-
Federal sources	33,314	-	5,004	-	-	205,117
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	33,314	-	5,004	22,731	-	205,117
Disbursements:						
Current:						
Instruction	-	-	6,629	-	-	170,762
Support services	10,213	-	-	5,356	-	-
Noninstructional services	-	-	-	-	-	80
Facilities acquisition and construction	-	-	-	163	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	10,213	-	6,629	5,519	-	170,842
Excess (deficiency) of receipts over disbursements	23,101	-	(1,625)	17,212	-	34,275
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,101	-	(1,625)	17,212	-	34,275
Cash and investments - beginning	-	550	6,178	-	1,500	11,075
Cash and investments - ending	<u>\$ 23,101</u>	<u>\$ 550</u>	<u>\$ 4,553</u>	<u>\$ 17,212</u>	<u>\$ 1,500</u>	<u>\$ 45,350</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 23,101	\$ 550	\$ 4,553	\$ 17,212	\$ 1,500	\$ 45,350
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 23,101</u>	<u>\$ 550</u>	<u>\$ 4,553</u>	<u>\$ 17,212</u>	<u>\$ 1,500</u>	<u>\$ 45,350</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,101	550	4,553	17,212	1,500	45,350
Total cash and investment fund balance - ending	<u>\$ 23,101</u>	<u>\$ 550</u>	<u>\$ 4,553</u>	<u>\$ 17,212</u>	<u>\$ 1,500</u>	<u>\$ 45,350</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title VI	Title V	2003-2004 Title V	Drug Free	Science Math Award	Title II
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,295	-	5,003	-	45,700
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	2,295	-	5,003	-	45,700
Disbursements:						
Current:						
Instruction	-	-	-	5,000	-	45,700
Support services	-	2,043	161	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	2,043	161	5,000	-	45,700
Excess (deficiency) of receipts over disbursements	-	252	(161)	3	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	252	(161)	3	-	-
Cash and investments - beginning	276	542	218	-	9,109	-
Cash and investments - ending	\$ 276	\$ 794	\$ 57	\$ 3	\$ 9,109	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 276	\$ 794	\$ 57	\$ 3	\$ 9,109	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 276	\$ 794	\$ 57	\$ 3	\$ 9,109	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	276	794	57	3	9,109	-
Total cash and investment fund balance - ending	\$ 276	\$ 794	\$ 57	\$ 3	\$ 9,109	\$ -

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Education Through Technology	Fiscal Stabilization	Title I Stimulus	Special Ed Part B Stimulus	Retirement Service Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 106,916	\$ 1,895,401
Intermediate sources	-	-	-	-	-	525
State sources	-	-	-	-	-	98,918
Federal sources	-	-	-	-	-	445,518
Temporary loans	-	-	-	-	71,496	513,722
Other	-	-	-	-	-	34,565
Total receipts	-	-	-	-	178,412	2,988,649
Disbursements:						
Current:						
Instruction	-	-	-	-	-	233,367
Support services	-	-	-	-	-	1,265,924
Noninstructional services	-	-	-	-	-	641,964
Facilities acquisition and construction	-	-	-	-	-	163
Debt services	-	-	-	-	198,969	676,179
Nonprogrammed charges	-	-	-	-	-	33,000
Total disbursements	-	-	-	-	198,969	2,850,597
Excess (deficiency) of receipts over disbursements	-	-	-	-	(20,557)	138,052
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	9,791
Transfers in	-	-	-	-	-	15,476
Total other financing sources (uses)	-	-	-	-	-	25,267
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(20,557)	163,319
Cash and investments - beginning	1,742	-	-	-	3,875	761,098
Cash and investments - ending	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,681)</u>	<u>\$ 924,417</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,742	\$ -	\$ -	\$ -	\$ -	\$ 941,098
Restricted assets:						
Cash and investments	-	-	-	-	(16,681)	(16,681)
Total cash and investment assets - ending	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,681)</u>	<u>\$ 924,417</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (16,681)	\$ (16,681)
Unrestricted	1,742	-	-	-	-	941,098
Total cash and investment fund balance - ending	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,681)</u>	<u>\$ 924,417</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Educational License Plate
Receipts:						
Local sources	\$ 1,222,007	\$ 9,141	\$ -	\$ 460,768	\$ 175,006	\$ -
Intermediate sources	-	-	-	-	-	656
State sources	-	47,303	-	11,218	35,470	-
Federal sources	-	-	-	180,450	-	-
Temporary loans	581,075	-	-	-	-	-
Other	32,842	-	-	1,621	-	-
Total receipts	1,835,924	56,444	-	654,057	210,476	656
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	1,088,839	-	99,272	2,069	182,823	-
Noninstructional services	-	-	-	692,713	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	696,782	-	-	-	-	-
Nonprogrammed charges	-	41,250	-	-	-	-
Total disbursements	1,785,621	41,250	99,272	694,782	182,823	-
Excess (deficiency) of receipts over disbursements	50,303	15,194	(99,272)	(40,725)	27,653	656
Other financing sources (uses):						
Sale of capital assets	1,012	-	-	-	-	-
Total other financing sources (uses)	1,012	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	51,315	15,194	(99,272)	(40,725)	27,653	656
Cash and investments - beginning	226,324	35,281	229,406	99,290	246,225	325
Cash and investments - ending	<u>\$ 277,639</u>	<u>\$ 50,475</u>	<u>\$ 130,134</u>	<u>\$ 58,565</u>	<u>\$ 273,878</u>	<u>\$ 981</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 277,639	\$ 50,475	\$ 130,134	\$ 58,565	\$ 273,878	\$ 981
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 277,639</u>	<u>\$ 50,475</u>	<u>\$ 130,134</u>	<u>\$ 58,565</u>	<u>\$ 273,878</u>	<u>\$ 981</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	277,639	50,475	130,134	58,565	273,878	981
Total cash and investment fund balance - ending	<u>\$ 277,639</u>	<u>\$ 50,475</u>	<u>\$ 130,134</u>	<u>\$ 58,565</u>	<u>\$ 273,878</u>	<u>\$ 981</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	High Ability Learners Grant	Step Ahead	Drug Free Grant	School Technology Grant	Environmental Scientist Grant	Title I
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	16,976	-	-
Federal sources	33,314	-	4,785	-	-	179,366
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	33,314	-	4,785	16,976	-	179,366
Disbursements:						
Current:						
Instruction	-	550	5,246	-	1,500	194,185
Support services	25,981	-	-	13,836	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	779	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	25,981	550	5,246	14,615	1,500	194,185
Excess (deficiency) of receipts over disbursements	7,333	(550)	(461)	2,361	(1,500)	(14,819)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,333	(550)	(461)	2,361	(1,500)	(14,819)
Cash and investments - beginning	23,101	550	4,553	17,212	1,500	45,350
Cash and investments - ending	<u>\$ 30,434</u>	<u>\$ -</u>	<u>\$ 4,092</u>	<u>\$ 19,573</u>	<u>\$ -</u>	<u>\$ 30,531</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 30,434	\$ -	\$ 4,092	\$ 19,573	\$ -	\$ 30,531
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 30,434	\$ -	\$ 4,092	\$ 19,573	\$ -	\$ 30,531
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	30,434	-	4,092	19,573	-	30,531
Total cash and investment fund balance - ending	\$ 30,434	\$ -	\$ 4,092	\$ 19,573	\$ -	\$ 30,531

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title VI	Title V	2003-2004 Title V	Drug Free	Science Math Award	Title II
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	4,436	-	50,596
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	4,436	-	50,596
Disbursements:						
Current:						
Instruction	-	-	-	6,132	-	50,596
Support services	276	162	57	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	276	162	57	6,132	-	50,596
Excess (deficiency) of receipts over disbursements	(276)	(162)	(57)	(1,696)	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(276)	(162)	(57)	(1,696)	-	-
Cash and investments - beginning	276	794	57	3	9,109	-
Cash and investments - ending	\$ -	\$ 632	\$ -	\$ (1,693)	\$ 9,109	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 632	\$ -	\$ (1,693)	\$ 9,109	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 632	\$ -	\$ (1,693)	\$ 9,109	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	632	-	(1,693)	9,109	-
Total cash and investment fund balance - ending	\$ -	\$ 632	\$ -	\$ (1,693)	\$ 9,109	\$ -

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title II Education Through Technology	Fiscal Stabilization	Title I Stimulus	Special Ed Part B Stimulus	Retirement Service Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 318,965	\$ 2,185,887
Intermediate sources	-	-	-	-	-	656
State sources	-	-	-	-	-	110,967
Federal sources	-	866,466	18,395	15,512	-	1,353,320
Temporary loans	-	-	-	-	-	581,075
Other	-	-	-	-	-	34,463
Total receipts	-	866,466	18,395	15,512	318,965	4,266,368
Disbursements:						
Current:						
Instruction	-	346,750	-	-	-	604,959
Support services	1,742	-	-	-	-	1,415,057
Noninstructional services	-	-	-	-	-	692,713
Facilities acquisition and construction	-	-	-	-	-	779
Debt services	-	-	-	-	275,822	972,604
Nonprogrammed charges	-	-	-	-	-	41,250
Total disbursements	1,742	346,750	-	-	275,822	3,727,362
Excess (deficiency) of receipts over disbursements	(1,742)	519,716	18,395	15,512	43,143	539,006
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	1,012
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,012
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,742)	519,716	18,395	15,512	43,143	540,018
Cash and investments - beginning	1,742	-	-	-	(16,681)	924,417
Cash and investments - ending	\$ -	\$ 519,716	\$ 18,395	\$ 15,512	\$ 26,462	\$ 1,464,435
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 519,716	\$ 18,395	\$ 15,512	\$ -	\$ 1,437,973
Restricted assets:						
Cash and investments	-	-	-	-	26,462	26,462
Total cash and investment assets - ending	\$ -	\$ 519,716	\$ 18,395	\$ 15,512	\$ 26,462	\$ 1,464,435
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 26,462	\$ 26,462
Unrestricted	-	519,716	18,395	15,512	-	1,437,973
Total cash and investment fund balance - ending	\$ -	\$ 519,716	\$ 18,395	\$ 15,512	\$ 26,462	\$ 1,464,435

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Bryan Pitcher Gift	Greer Family Gift	Wes Vaught Memorial Band School	McNeely Gift 8000	McNeely Gift 21500	McNeely Gift 26092	McNeely Gifts Usable Interest	McNeely Gift Hilliard Lyons
Additions:								
Contributions:								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:								
Interest	214	215	-	-	-	-	5,282	-
Dividends	-	-	-	-	-	-	-	-
Total investment earnings	214	215	-	-	-	-	5,282	-
Total additions	214	215	-	-	-	-	5,282	-
Deductions:								
Administrative and general	-	-	-	-	-	-	2,330	-
Excess (deficiency) of total additions over total deductions	214	215	-	-	-	-	2,952	-
Cash and investment fund balance - beginning	6,732	5,526	50	8,000	21,500	26,092	2,303	46,060
Cash and investments - June 30	<u>\$ 6,946</u>	<u>\$ 5,741</u>	<u>\$ 50</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 5,255</u>	<u>\$ 46,060</u>
Net assets:								
Cash and investments	\$ 6,946	\$ 5,741	\$ 50	\$ 8,000	\$ 21,500	\$ 26,092	\$ 5,255	\$ 46,060
Total net assets - cash and investment basis held in trust	<u>\$ 6,946</u>	<u>\$ 5,741</u>	<u>\$ 50</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 5,255</u>	<u>\$ 46,060</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	NASA & Life Sciences Grant	FFA Gift	Indiana Next	Cape Grant	For Such A Time As This Grant	History Grant	Ball State Math Grant	Totals
Additions:								
Contributions:								
Other	\$ 21,321	\$ -	\$ -	\$ 17,450	\$ 660	\$ -	\$ -	\$ 39,431
Investment earnings:								
Interest	-	-	-	-	-	-	-	5,711
Dividends	-	-	-	-	-	-	-	-
Total investment earnings	-	-	-	-	-	-	-	5,711
Total additions	21,321	-	-	17,450	660	-	-	45,142
Deductions:								
Administrative and general	24,405	-	1,621	25,398	412	557	-	54,723
Excess (deficiency) of total additions over total deductions	(3,084)	-	(1,621)	(7,948)	248	(557)	-	(9,581)
Cash and investment fund balance - beginning	15,854	4,000	1,950	18,647	-	(754)	55	156,016
Cash and investments - June 30	<u>\$ 12,770</u>	<u>\$ 4,000</u>	<u>\$ 329</u>	<u>\$ 10,700</u>	<u>\$ 248</u>	<u>\$ (1,311)</u>	<u>\$ 55</u>	<u>\$ 146,435</u>
Net assets:								
Cash and investments	\$ 12,770	\$ 4,000	\$ 329	\$ 10,700	\$ 248	\$ (1,311)	\$ 55	\$ 146,435
Total net assets - cash and investment basis held in trust	<u>\$ 12,770</u>	<u>\$ 4,000</u>	<u>\$ 329</u>	<u>\$ 10,700</u>	<u>\$ 248</u>	<u>\$ (1,311)</u>	<u>\$ 55</u>	<u>\$ 146,435</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Bryan Pitcher Gift	Greer Family Gift	Wes Vaught Memorial Band School	McNeely Gift 8000	McNeely Gift 21500	McNeely Gift 26092	McNeely Gifts Usable Interest	McNeely Gift Hilliard Lyons
Additions:								
Contributions:								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:								
Net increase (decrease) in fair value of investments	-	-	-	-	-	-	-	-
Interest	198	136	-	-	-	-	5,600	-
Dividends	-	-	-	-	-	-	-	-
Total investment earnings	198	136	-	-	-	-	5,600	-
Less investment disbursements	-	-	-	-	-	-	-	-
Net investment earnings	198	136	-	-	-	-	5,600	-
Total additions	198	136	-	-	-	-	5,600	-
Deductions:								
Administrative and general	-	-	50	-	-	-	4,421	-
Excess (deficiency) of total additions over total deductions	198	136	(50)	-	-	-	1,179	-
Cash and investment fund balance - beginning	6,946	5,741	50	8,000	21,500	26,092	5,255	46,060
Cash and investments - June 30	<u>\$ 7,144</u>	<u>\$ 5,877</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 6,434</u>	<u>\$ 46,060</u>
Net assets:								
Cash and investments	\$ 7,144	\$ 5,877	\$ -	\$ 8,000	\$ 21,500	\$ 26,092	\$ 6,434	\$ 46,060
Total net assets - cash and investment basis held in trust	<u>\$ 7,144</u>	<u>\$ 5,877</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>	<u>\$ 26,092</u>	<u>\$ 6,434</u>	<u>\$ 46,060</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	NASA & Life Sciences Grant	FFA Gift	Indiana Next	Cape Grant	For Such A Time As This Grant	History Grant	Ball State Math Grant	Totals
Additions:								
Contributions:								
Other	\$ 22,000	\$ -	\$ -	\$ 25,000	\$ 1,100	\$ -	\$ -	\$ 48,100
Investment earnings:								
Net increase (decrease) in fair value of investm	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	5,934
Dividends	-	-	-	-	-	-	-	-
Total investment earnings	-	-	-	-	-	-	-	5,934
Less investment disbursements	-	-	-	-	-	-	-	-
Net investment earnings	-	-	-	-	-	-	-	5,934
Total additions	22,000	-	-	25,000	1,100	-	-	54,034
Deductions:								
Administrative and general	11,957	-	329	21,994	896	250	55	39,952
Excess (deficiency) of total additions over total deductions	10,043	-	(329)	3,006	204	(250)	(55)	14,082
Cash and investment fund balance - beginning	12,770	4,000	329	10,700	248	(1,311)	55	146,435
Cash and investments - June 30	<u>\$ 22,813</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 13,706</u>	<u>\$ 452</u>	<u>\$ (1,561)</u>	<u>\$ -</u>	<u>\$ 160,517</u>
Net assets:								
Cash and investments	\$ 22,813	\$ 4,000	\$ -	\$ 13,706	\$ 452	\$ (1,561)	\$ -	\$ 160,517
Total net assets - cash and investment basis held in	<u>\$ 22,813</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 13,706</u>	<u>\$ 452</u>	<u>\$ (1,561)</u>	<u>\$ -</u>	<u>\$ 160,517</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
ICIS, ICMS, ICHS Renovations	\$ 1,470,000	\$ 541,450
Indian Creek High School Renovations	2,087,500	260,519
Indian Creek Middle School Renovations and and High School Improvements	13,130,000	1,796,134
Notes and loans payable	337,500	90,938
Tax anticipation warrants	1,930,095	1,956,912
Bonds payable:		
General obligation bonds:		
Retirement/Severance Bond	1,545,000	198,969
Capital Improvements G.O.	<u>1,500,000</u>	<u>46,204</u>
Total governmental activities debt	<u>\$ 22,000,095</u>	<u>\$ 4,891,126</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369. A similar comment appeared in prior Reports B18358, B22720, B27384 and B32033. The School Corporation has compiled a listing of equipment for each school but has no record of land, buildings, and improvements.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Reported to the Indiana Department of Education, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2009.

The enrollment count date for and 2008-2009 was September 12, 2008. The difference between the count reported on the ADM and the verified figures are shown below:

School Year	Grade	Count as Reported to the Indiana Department of Education	Actual Enrollment Figures	Difference
2007-2008	Academic Honors	31	30	(1)
2008-2009	Academic Honors	29	28	1

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Extra-Curricular Treasurer for the high school, middle school, intermediate school and elementary school or other employees in a cash collection position.

A similar comment appeared in prior Report B32033.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

OVERDRAWN FUND BALANCE

The Retirement/Service Bond and History Grant Funds were overdrawn in 2008. The School Lunch, History Grant and Drug Free Funds were overdrawn in 2009.

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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 NINEVEH-HENSLEY-JACKSON
UNITED SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Nineveh-Hensley-Jackson United 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, 2008 and 2009. 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, 2008 and 2009.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

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)

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 1, 2010

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
School Year 2007-2008				
School Year 2008-2009				
	10.553		\$ 15,652	\$ -
			<u>-</u>	<u>22,274</u>
Total for program			<u>15,652</u>	<u>22,274</u>
National School Lunch Program				
School Year 2007-2008				
School Year 2008-2009				
	10.555		172,662	-
			<u>-</u>	<u>207,351</u>
Total for program			<u>172,662</u>	<u>207,351</u>
Total for federal grantor agency			<u>188,314</u>	<u>229,626</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
Title I 2007-2008				
Title I 2008-2009				
	84.010		170,842	-
			<u>-</u>	<u>199,893</u>
			<u>-</u>	<u>-</u>
Total for program			<u>170,842</u>	<u>199,893</u>
Safe and Drug Free Schools and Communities - State Grants				
Title IV, Part A, Safe and Drug Free Schools FY08				
Title IV, Part A, Safe and Drug Free Schools FY09				
	84.186		5,000	-
			<u>-</u>	<u>6,132</u>
Total for program			<u>5,000</u>	<u>6,132</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs				
Title V, Part A, Innovative Programs 2007-2008				
Title V, Part A, Innovative Programs 2008-2009				
	84.298		2,204	-
			<u>-</u>	<u>497</u>
Total for program			<u>2,204</u>	<u>497</u>
Education Technology State Grants				
Title II, Part D, Education Technology State Grants 2008-2009				
	84.318		<u>-</u>	<u>1,742</u>
Total for program			<u>-</u>	<u>1,742</u>
Improving Teacher Quality State Grants				
Title II, Part A, Teacher Quality LEA 2007-2008				
Title II, Part A, Teacher Quality LEA 2008-2009				
	84.367		45,700	-
			<u>-</u>	<u>50,596</u>
Total for program			<u>45,700</u>	<u>50,596</u>
Total for federal grantor agency			<u>223,746</u>	<u>258,860</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) -				
Education State Grants Recovery Act				
	84.394		<u>-</u>	<u>516,920</u>
			<u>-</u>	<u>-</u>
Total for federal grantor agency			<u>-</u>	<u>516,920</u>
Total federal awards expended			<u>\$ 412,060</u>	<u>\$ 1,005,405</u>

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Nineveh-Hensley-Jackson United School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
School Breakfast	10.553	\$ 15,652	\$ 22,274
School Lunch	10.555	172,662	207,351

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster
84.394	Title I Grants to Local Educational Agencies ARRA - State Fiscal Stabilization Fund (SFSF)

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.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2010, with Sandra J. West, Treasurer; and Mark A. Millis, Superintendent of Schools. The official response has been made a part of this report and may be found on page 49.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION

802 South Indian Creek Drive
Trafalgar, Indiana 46181
Phone: 317-878-2100 Fax: 317-878-5765

“OFFICIAL RESPONSE”

March 5, 2010

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

In response to the Audit Results and Comments, for the audit period of July 1, 1997 thru June 30, 2009, I would like to have entered as an official response on behalf and Nineveh-Hensley-Jackson United School Corporation – Corporation books that the negative balances in funds “Retirement /Severance Bond Fund” in 2008 was due to late tax settlements due June 30, 2008 by the Johnson County Auditors Office. The tax settlements were not made until late October, November and December of 2008 calendar year.

The “History Grant Fund” was awaiting reimbursement for the staff development expenditures we incurred participating in the grant program.

The “Drug Free Grant Fund” was also awaiting receipt into our books from the State. Approval was already given but the payment had not been processed when the books closed.

All of the above funds had approval for the expenditures, but we were just waiting to receive the funds to deposit into the accounts. None of the expenditures were made prior to any approvals.

Please accept this response to these “Overdrawn Fund Balances” as explanations as to what precipitated the state of being overdrawn.

Sincerely,



Sandra J. West
Business Manager / Corporation Treasurer
Nineveh-Hensley-Jackson
United School Corporation