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

AUDIT REPORT

OF

JENNINGS COUNTY SCHOOL CORPORATION

JENNINGS COUNTY, INDIANA

July 1, 2008 to June 30, 2010

FILED

03/01/2011

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Amber K. Fields	07-01-08 to 6-30-11
Superintendent of Schools	Dr. Michael J. Bushong	07-01-08 to 6-30-11
President of the School Board	Steve Elmore	07-01-08 to 6-30-11

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated January 31, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 31, 2011

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jennings County School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

January 31, 2011

JENNINGS COUNTY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Assets: Totals
Governmental activities:				
Instruction	$ 25,638,979	$ -	$ 596,088	$ (25,042,891)
Support services	15,847,635	1,058,245	1,430,233	(13,359,157)
Noninstructional services	3,127,613	-	-	(3,127,613)
Facilities acquisition and construction	2,342,613	-	-	(2,342,613)
Debt service	4,758,123	-	-	(4,758,123)
Nonprogrammed charges	596,030	-	-	(596,030)
Total government activities	$ 52,310,993	$ 1,058,245	$ 2,026,321	(49,226,427)
General receipts:				
Property taxes				14,583,499
Other local sources				2,902,969
State aid				26,607,973
Bonds and loans				745,340
Grants and contributions not restricted to specific programs				5,025,198
Sale of property				33,279
Investment earnings				160,158
Other				139,007
Total general receipts				50,197,423
Change in net assets				970,996
Net assets - beginning				5,037,979
Net assets - ending				$ 6,008,975

Assets	
Cash and investments	$ 6,004,198
Restricted assets:	
Cash and investments	4,777
Total assets	$ 6,008,975

Net Assets	
Restricted for:	
Debt service	$ 4,777
Unrestricted	6,004,198
Total net assets	$ 6,008,975

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

JENNINGS COUNTY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

		Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
Functions/Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	$ 22,653,704	$ -	$ 561,068	$ (22,092,636)
Support services	14,799,219	1,067,069	1,830,742	(11,901,408)
Noninstructional services	3,000,170	-	-	(3,000,170)
Facilities acquisition and construction	1,837,525	-	-	(1,837,525)
Debt service	4,036,160	-	-	(4,036,160)
Nonprogrammed charges	5,308,111	-	-	(5,308,111)
Total government activities	$ 51,634,889	$ 1,067,069	$ 2,391,810	(48,176,010)
General receipts:				
Property taxes				12,124,075
Other local sources				4,084,382
State aid				31,178,137
Bonds and loans				626,325
Grants and contributions not restricted to specific programs				4,661,191
Sale of property				30,297
Investment earnings				141,535
Other				845,757
Total general receipts				53,691,699
Change in net assets				5,515,689
Net assets - beginning				6,008,975
Net assets - ending				$ 11,524,664

Assets	
Cash and investments	$ 9,278,467
Restricted assets:	
Cash and investments	2,246,197
Total assets	$ 11,524,664
Net Assets	
Restricted for:	
Debt service	$ 1,500,326
Other purposes	745,871
Unrestricted	9,278,467
Total net assets	$ 11,524,664

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

JENNINGS COUNTY 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	Transportation Operating	Rainy Day	Federal Stabilization Education Stimulation	Debt Service	Capital Projects	Other	Totals
Receipts:								
Local sources	$ 6,737,430	$ 3,245,367	$ 1,070	$ -	$ 2,528,109	$ 4,024,981	$ 2,165,345	$ 18,702,302
Intermediate sources	1,444	-	-	-	-	-	1,125	2,569
State sources	27,145,754	-	-	-	-	-	288,143	27,433,897
Federal sources	2,811	-	-	2,730,991	-	-	3,491,793	6,225,595
Temporary loans	-	745,340	-	-	-	-	-	745,340
Interfund loans	2,841,000	-	-	-	135,000	180,000	2,814,000	5,970,000
Other	35,209	443	-	-	-	35,707	67,648	139,007
Total receipts	36,763,648	3,991,150	1,070	2,730,991	2,663,109	4,240,688	8,828,054	59,218,710
Disbursements:								
Current:								
Instruction	23,629,118	-	-	-	-	-	2,009,861	25,638,979
Support services	9,426,773	2,805,591	-	-	-	2,041,549	1,573,722	15,847,635
Noninstructional services	612,157	-	-	-	-	-	2,515,456	3,127,613
Facilities acquisition and construction	-	-	-	-	-	1,944,495	398,118	2,342,613
Debt services	831,006	988,922	-	-	2,553,449	-	384,746	4,758,123
Nonprogrammed charges	581,030	-	-	-	-	-	15,000	596,030
Interfund loans	2,615,000	-	514,000	-	-	280,000	2,561,000	5,970,000
Total disbursements	37,695,084	3,794,513	514,000	-	2,553,449	4,266,044	9,457,903	58,280,993
Excess (deficiency) of receipts over disbursements	(931,436)	196,637	(512,930)	2,730,991	109,660	(25,356)	(629,849)	937,717
Other financing sources (uses):								
Sale of capital assets	3,279	-	-	-	-	30,000	-	33,279
Transfers in	2,387	-	285,000	-	-	-	319,643	607,030
Transfers out	(750)	-	-	-	(185,000)	-	(421,280)	(607,030)
Total other financing sources (uses)	4,916	-	285,000	-	(185,000)	30,000	(101,637)	33,279
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(926,520)	196,637	(227,930)	2,730,991	(75,340)	4,644	(731,486)	970,996
Cash and investments - beginning	1,894,038	577,789	350,000	-	77,084	303	2,138,765	5,037,979
Cash and investments - ending	$ 967,518	$ 774,426	$ 122,070	$ 2,730,991	$ 1,744	$ 4,947	$ 1,407,279	$ 6,008,975
Cash and Investment Assets - Ending								
Cash and investments	$ 967,518	$ 774,426	$ 122,070	$ 2,730,991	$ -	$ 4,947	$ 1,404,246	$ 6,004,198
Restricted assets:								
Cash and investments	-	-	-	-	1,744	-	3,033	4,777
Total cash and investment assets - ending	$ 967,518	$ 774,426	$ 122,070	$ 2,730,991	$ 1,744	$ 4,947	$ 1,407,279	$ 6,008,975
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	$ -	$ -	$ -	$ -	$ 1,744	$ -	$ 3,033	$ 4,777
Unrestricted	967,518	774,426	122,070	2,730,991	-	4,947	1,404,246	6,004,198
Total cash and investment fund balance - ending	$ 967,518	$ 774,426	$ 122,070	$ 2,730,991	$ 1,744	$ 4,947	$ 1,407,279	$ 6,008,975

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

JENNINGS COUNTY 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, 2010

	General	Transportation Operating	Rainy Day	Federal Stabilization Education Stimulation	Debt Service	Capital Projects	Other	Totals
Receipts:								
Local sources	$ 440,037	$ 4,998,784	$ -	$ -	$ 4,514,385	$ 5,311,087	$ 2,087,670	$ 17,351,963
Intermediate sources	11,230	-	-	-	-	-	731	11,961
State sources	31,682,612	-	-	-	-	-	386,813	32,069,425
Federal sources	59,505	-	-	1,041,478	-	-	5,060,730	6,161,713
Temporary loans	-	626,325	-	-	-	-	-	626,325
Interfund loans	1,278,000	-	1,494,000	-	60,000	800,000	1,573,000	5,205,000
Other	232,593	3,478	-	-	-	102,198	560,625	898,894
Total receipts	33,703,977	5,628,587	1,494,000	1,041,478	4,574,385	6,213,285	9,669,569	62,325,281
Disbursements:								
Current:								
Instruction	20,560,836	-	-	3,455,411	-	-	2,401,272	26,417,519
Support services	9,020,612	2,980,123	-	204,914	-	1,986,548	2,220,086	16,412,283
Noninstructional services	572,664	-	-	-	-	-	2,427,506	3,000,170
Facilities acquisition and construction	-	-	-	-	-	1,557,643	279,882	1,837,525
Debt services	-	745,340	-	-	2,905,533	-	385,287	4,036,160
Nonprogrammed charges	382,056	-	-	112,144	-	-	182,903	677,103
Interfund loans	1,453,000	-	980,000	-	195,000	980,000	1,597,000	5,205,000
Total disbursements	31,989,168	3,725,463	980,000	3,772,469	3,100,533	4,524,191	9,493,936	57,585,760
Excess (deficiency) of receipts over disbursements	1,714,809	1,903,124	514,000	(2,730,991)	1,473,852	1,689,094	175,633	4,739,521
Other financing sources (uses):								
Sale of capital assets	297	-	-	-	-	30,000	-	30,297
Transfers in	155,179	-	650,000	-	-	-	131,302	936,481
Transfers out	-	(650,000)	-	-	-	-	(286,481)	(936,481)
Total other financing sources (uses)	155,476	(650,000)	650,000	-	-	30,000	(155,179)	30,297
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,870,285	1,253,124	1,164,000	(2,730,991)	1,473,852	1,719,094	20,454	4,769,818
Cash and investments - beginning	967,518	774,426	122,070	2,730,991	1,744	4,947	1,407,279	6,008,975
Cash and investments - ending	$ 2,837,803	$ 2,027,550	$ 1,286,070	$ -	$ 1,475,596	$ 1,724,041	$ 1,427,733	10,778,793
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								745,871
Net assets of governmental activities								$ 11,524,664
Cash and Investment Assets - Ending								
Cash and investments	$ 2,837,803	$ 2,027,550	$ 1,286,070	$ -	$ -	$ 1,724,041	$ 1,403,003	$ 9,278,467
Restricted assets:								
Cash and investments	-	-	-	-	1,475,596	-	24,730	1,500,326
Total cash and investment assets - ending	$ 2,837,803	$ 2,027,550	$ 1,286,070	$ -	$ 1,475,596	$ 1,724,041	$ 1,427,733	$ 10,778,793
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	$ -	$ -	$ -	$ -	$ 1,475,596	$ -	$ 24,730	$ 1,500,326
Unrestricted	2,837,803	2,027,550	1,286,070	-	-	1,724,041	1,403,003	9,278,467
Total cash and investment fund balance - ending	$ 2,837,803	$ 2,027,550	$ 1,286,070	$ -	$ 1,475,596	$ 1,724,041	$ 1,427,733	$ 10,778,793

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	$ 5,376,879
Operating disbursements:	
Insurance claims and expense	4,631,008
Excess of operating receipts over operating disbursements	745,871
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	$ 745,871
Cash and Investment Assets - Ending	
Restricted assets:	
Cash and investments	$ 745,871
Total cash and investment assets - ending	$ 745,871
Cash and Investment Fund Balance - Ending	
Restricted for:	
Other purposes	$ 745,871
Total cash and investment fund balance - ending	$ 745,871

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

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

	Agency Funds
Cash and investment fund balance - ending	$ 231,626

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

JENNINGS COUNTY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	Agency Funds
Cash and investment fund balance - ending	$ 136,336

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

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: Jennings County 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 in a joint venture to operate Southeastern Career Center which was created to provide vocational educational services. The School Corporation is obligated by contract to pay an amount based on a formula by the Board of Directors of the joint venture. For the school year ended June 30, 2010, the School Corporation remitted $526,296 to the Southeastern Career Center. Complete financial statements for the Southeastern Career Center can be obtained from the Career Center's administrative office in Versailles, Indiana.

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. However, at this time, the School Corporation has no business-type activities.

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 transportation operating fund accounts for financial resources for the transportation of schoolchildren to and from school.

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The fiscal stabilization education stimulation fund accounts for monies received from the federal government to be used for general school purposes.

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

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for all receipts and disbursements from the School Corporation's self-insurance fund.

Agency funds account for assets held by the School Corporation as an agent for employee payroll withholdings and serve as control of accounts 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, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

   Government-Wide Statements

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

   a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

   b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

   Fund Financial Statements

   Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

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.

F. Internal and Interfund Activities

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

Fund Financial Statements

1. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.

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

3. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of $12,934,290.

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

Statutory Authorization for Investments

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 have a stated final maturity of one day.

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

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	$ 750	$ -
Transportation Operating Fund	Rainy Day Fund	-	650,000
Debt Service Fund	Rainy Day Fund	185,000	-
Other Governmental Funds	General Fund	2,387	155,179
Other Governmental Funds	Rainy Day Fund	100,000	-
Other Governmental Funds	Other Governmental Funds	318,893	131,302
Totals		$ 607,030	$ 936,481

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

IV. Other Information

A. Risk Management

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

In 2009, the School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Self Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the fund. An excess policy through commercial insurance covers individual claims in excess of $75,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage for the school year 2009-2010. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative cost of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into capital leases with Jennings County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year June 30, 2010, totaled $2,745,133.

C. Subsequent Event

On November 9, 2010, the School Corporation issued the 2010 General Obligation Bond Project bonds for $1,843,923. The proceeds will be used to renovate and equip various projects at the Jennings County Middle School and Jennings County High School.

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Anthem Blue Cross/Blue Shield is a single-employer defined benefit healthcare plan administered by Anthem. The plan provides medical, dental and vision insurance to eligible retirees and their spouses. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the School Corporation. The Anthem Blue Cross/Blue Shield issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Anthem
220 Virginia Avenue
Indianapolis, IN 46204
317-287-5816

Funding Policy

The contribution requirements of plan members for the Anthem Blue Cross/Blue Shield are established by the School Corporation's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the School Corporation contributed $42,400 to the plan for current premiums (approximately 72.2% of total premiums). Plan members receiving benefits contributed $16,357, or approximately 27.8% of the total premiums, through their required contribution of $195 per month for retiree-only coverage. For the year ended June 30, 2010, the School Corporation contributed $42,400 to the plan for current premiums (approximately 66% of total premiums). Plan members receiving benefits contributed $21,838, or approximately 34% of the total premiums, through their required contribution of $260 per month for retiree-only coverage.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the audit period were $792,149.

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.

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

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

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

Funding Policy

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

The School Corporation's contributions to the plan during the audit period were $1,432,886.

JENNINGS COUNTY 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

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plate Fees	Alternative Education
Receipts:							
Local sources	$ 20,037	$ 943,374	$ 427,062	$ -	$ 826	$ -	$ -
Intermediate sources	-	-	-	-	-	1,125	-
State sources	175,746	27,159	-	-	-	-	17,329
Federal sources	-	1,403,073	-	-	-	-	-
Interfund loans	-	-	2,015,000	-	-	-	-
Other	-	-	352	-	-	-	-
Total receipts	195,783	2,373,606	2,442,414	-	826	1,125	17,329
Disbursements:							
Current:							
Instruction	124,788	-	-	-	-	-	3,060
Support services	-	1,659	513,931	-	-	8,900	-
Noninstructional services	-	2,491,592	-	-	472	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	1,970,000	-	-	-	-
Total disbursements	124,788	2,493,251	2,483,931	-	472	8,900	3,060
Excess (deficiency) of receipts over disbursements	70,995	(119,645)	(41,517)	-	354	(7,775)	14,269
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(100,000)	-	-	(2,387)	-	-	-
Total other financing sources (uses)	(100,000)	-	-	(2,387)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,005)	(119,645)	(41,517)	(2,387)	354	(7,775)	14,269
Cash and investments - beginning	113,888	816,305	41,658	2,387	75,267	17,381	17,401
Cash and investments - ending	$ 84,883	$ 696,660	$ 141	$ -	$ 75,621	$ 9,606	$ 31,670
Cash and Investment Assets - Ending							
Cash and investments	$ 84,883	$ 696,660	$ 141	$ -	$ 75,621	$ 9,606	$ 31,670
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	$ 84,883	$ 696,660	$ 141	$ -	$ 75,621	$ 9,606	$ 31,670
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	84,883	696,660	141	-	75,621	9,606	31,670
Total cash and investment fund balance - ending	$ 84,883	$ 696,660	$ 141	$ -	$ 75,621	$ 9,606	$ 31,670

JENNINGS COUNTY 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)

	Safe School Haven	High Ability Grant 2008-09	Tech Prep Staff Development	Common School Loan Technology	Drug Free Communities	Medicaid Reimbursement-State	Non English Speaking Grant
Receipts:							
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	9,334	48,755	-	-	-	-	8,545
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	5,000	-	105,000	-	-	500
Other	-	-	-	42,314	-	-	-
Total receipts	9,334	53,755	-	147,314	-	-	9,045
Disbursements:							
Current:							
Instruction	-	48,755	-	-	-	-	16,629
Support services	-	-	500	127,283	-	-	-
Noninstructional services	-	-	-	-	4,528	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	5,000	-	20,000	-	-	-
Total disbursements	-	53,755	500	147,283	4,528	-	16,629
Excess (deficiency) of receipts over disbursements	9,334	-	(500)	31	(4,528)	-	(7,584)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,334	-	(500)	31	(4,528)	-	(7,584)
Cash and investments - beginning	-	-	500	1,259	5,050	27,725	7,875
Cash and investments - ending	$ 9,334	$ -	$ -	$ 1,290	$ 522	$ 27,725	$ 291
Cash and Investment Assets - Ending							
Cash and investments	$ 9,334	$ -	$ -	$ 1,290	$ 522	$ 27,725	$ 291
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	$ 9,334	$ -	$ -	$ 1,290	$ 522	$ 27,725	$ 291
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	9,334	-	-	1,290	522	27,725	291
Total cash and investment fund balance - ending	$ 9,334	$ -	$ -	$ 1,290	$ 522	$ 27,725	$ 291

JENNINGS COUNTY 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)

	Biomedical Sciences Grant	Laura Bush America's Libraries	Title I 2008-2009	Title I 2007-2008	ESEA Title V, Part A	Title I School Improvement	PL 108-446 FY 2008 Carry-Over
Receipts:							
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	836,361	-	6,156	-	215,000
Interfund loans	51,000	-	-	-	-	-	95,000
Other	24,982	-	-	-	-	-	-
Total receipts	75,982	-	836,361	-	6,156	-	310,000
Disbursements:							
Current:							
Instruction	14,555	-	787,929	(17,149)	-	-	185,612
Support services	-	5,996	15,007	-	19,425	9,935	81,013
Noninstructional services	-	-	13,641	633	22	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	62,000	-	-	-	-	-	85,000
Total disbursements	76,555	5,996	816,577	(16,516)	19,447	9,935	351,625
Excess (deficiency) of receipts over disbursements	(573)	(5,996)	19,784	16,516	(13,291)	(9,935)	(41,625)
Other financing sources (uses):							
Transfers in	-	-	80,326	-	-	-	41,750
Transfers out	-	-	-	(80,326)	-	-	-
Total other financing sources (uses)	-	-	80,326	(80,326)	-	-	41,750
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(573)	(5,996)	100,110	(63,810)	(13,291)	(9,935)	125
Cash and investments - beginning	733	6,000	-	63,810	22,447	9,935	-
Cash and investments - ending	$ 160	$ 4	$ 100,110	$ -	$ 9,156	$ -	$ 125
Cash and Investment Assets - Ending							
Cash and investments	$ 160	$ 4	$ 100,110	$ -	$ 9,156	$ -	$ 125
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	$ 160	$ 4	$ 100,110	$ -	$ 9,156	$ -	$ 125
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	160	4	100,110	-	9,156	-	125
Total cash and investment fund balance - ending	$ 160	$ 4	$ 100,110	$ -	$ 9,156	$ -	$ 125

JENNINGS COUNTY 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)

	PL 101-476 FY 2007 Carry-Over	IDEA Part B FY 2009	IDEA Part B FY 2008	Special Education PreSchool	Preschool Federal FY 2008	Federal FY 2008 Carry-Over	Federal FY 2007 Carry-Over
Receipts:							
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	455,000	285,000	29,400	5,800	-	-
Interfund loans	-	285,000	-	10,500	-	1,500	-
Other	-	-	-	-	-	-	-
Total receipts	-	740,000	285,000	39,900	5,800	1,500	-
Disbursements:							
Current:							
Instruction	65,755	458,467	53,843	29,870	1,362	2,993	-
Support services	19,813	312,386	76,256	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	15,000	-	-	-	-
Interfund loans	-	160,000	-	10,000	3,000	-	1,000
Total disbursements	85,568	930,853	145,099	39,870	4,362	2,993	1,000
Excess (deficiency) of receipts over disbursements	(85,568)	(190,853)	139,901	30	1,438	(1,493)	(1,000)
Other financing sources (uses):							
Transfers in	-	195,000	-	-	-	1,817	-
Transfers out	-	-	(236,750)	-	(1,817)	-	-
Total other financing sources (uses)	-	195,000	(236,750)	-	(1,817)	1,817	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,568)	4,147	(96,849)	30	(379)	324	(1,000)
Cash and investments - beginning	85,569	-	96,849	-	379	-	1,000
Cash and investments - ending	$ 1	$ 4,147	$ -	$ 30	$ -	$ 324	$ -
Cash and Investment Assets - Ending							
Cash and investments	$ 1	$ 4,147	$ -	$ 30	$ -	$ 324	$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	$ 1	$ 4,147	$ -	$ 30	$ -	$ 324	$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	1	4,147	-	30	-	324	-
Total cash and investment fund balance - ending	$ 1	$ 4,147	$ -	$ 30	$ -	$ 324	$ -

JENNINGS COUNTY 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)

	Drug Free Schools 2006-2007	Drug Free Schools 2007-2008	High Schools That Work	Medicaid Reimbursement Federal	Outbound Grant	Title II Part A	Title III Language Instruction
Receipts:							
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	1,275
Federal sources	19,750	15,638	-	-	14,700	202,000	-
Interfund loans	10,000	-	-	-	5,000	10,500	-
Other	-	-	-	-	-	-	-
Total receipts	29,750	15,638	-	-	19,700	212,500	1,275
Disbursements:							
Current:							
Instruction	-	(2,570)	750	-	11,362	223,850	-
Support services	17,101	7,584	-	600	-	8,102	-
Noninstructional services	800	-	-	-	-	3,768	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	12,000	3,000	-	-	5,000	5,000	-
Total disbursements	29,901	8,014	750	600	16,362	240,720	-
Excess (deficiency) of receipts over disbursements	(151)	7,624	(750)	(600)	3,338	(28,220)	1,275
Other financing sources (uses):							
Transfers in	-	-	750	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	750	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(151)	7,624	-	(600)	3,338	(28,220)	1,275
Cash and investments - beginning	369	255	-	601	5,699	28,360	-
Cash and investments - ending	$ 218	$ 7,879	$ -	$ 1	$ 9,037	$ 140	$ 1,275
Cash and Investment Assets - Ending							
Cash and investments	$ 218	$ 7,879	$ -	$ 1	$ 9,037	$ 140	$ 1,275
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	$ 218	$ 7,879	$ -	$ 1	$ 9,037	$ 140	$ 1,275
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	218	7,879	-	1	9,037	140	1,275
Total cash and investment fund balance - ending	$ 218	$ 7,879	$ -	$ 1	$ 9,037	$ 140	$ 1,275

JENNINGS COUNTY 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)

	Special Education Part-B Stimulus	Education Preschool Stimulus 2009	Donation	Retirement/ Severance Bond	School Bus Replacement	Construction	Totals
Receipts:							
Local sources	$ -	$ -	$ -	$ 370,748	$ 403,298	$ -	$ 2,165,345
Intermediate sources	-	-	-	-	-	-	1,125
State sources	-	-	-	-	-	-	288,143
Federal sources	-	3,915	-	-	-	-	3,491,793
Interfund loans	40,000	-	-	180,000	-	-	2,814,000
Other	-	-	-	-	-	-	67,648
Total receipts	40,000	3,915	-	550,748	403,298	-	8,828,054
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	2,009,861
Support services	37,402	-	-	-	310,829	-	1,573,722
Noninstructional services	-	-	-	-	-	-	2,515,456
Facilities acquisition and construction	-	-	-	-	-	398,118	398,118
Debt services	-	-	-	384,746	-	-	384,746
Nonprogrammed charges	-	-	-	-	-	-	15,000
Interfund loans	-	-	-	165,000	55,000	-	2,561,000
Total disbursements	37,402	-	-	549,746	365,829	398,118	9,457,903
Excess (deficiency) of receipts over disbursements	2,598	3,915	-	1,002	37,469	(398,118)	(629,849)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	319,643
Transfers out	-	-	-	-	-	-	(421,280)
Total other financing sources (uses)	-	-	-	-	-	-	(101,637)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,598	3,915	-	1,002	37,469	(398,118)	(731,486)
Cash and investments - beginning	-	-	9,226	2,031	806	678,000	2,138,765
Cash and investments - ending	$ 2,598	$ 3,915	$ 9,226	$ 3,033	$ 38,275	$ 279,882	$ 1,407,279
Cash and Investment Assets - Ending							
Cash and investments	$ 2,598	$ 3,915	$ 9,226	$ -	$ 38,275	$ 279,882	$ 1,404,246
Restricted assets:							
Cash and investments	-	-	-	3,033	-	-	3,033
Total cash and investment assets - ending	$ 2,598	$ 3,915	$ 9,226	$ 3,033	$ 38,275	$ 279,882	$ 1,407,279
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ 3,033	$ -	$ -	$ 3,033
Unrestricted	2,598	3,915	9,226	-	38,275	279,882	1,404,246
Total cash and investment fund balance - ending	$ 2,598	$ 3,915	$ 9,226	$ 3,033	$ 38,275	$ 279,882	$ 1,407,279

JENNINGS COUNTY 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, 2010

	Special Education Preschool	School Lunch	Textbook Rental	Child Care Program	Educational License Plate Fees	Alternative Education	Safe School Haven
Receipts:							
Local sources	$ -	$ 953,548	$ 190,804	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	731	-	-
State sources	98,025	24,706	180,669	-	-	18,478	8,150
Federal sources	-	1,625,367	-	-	-	-	-
Interfund loans	-	-	350,000	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	98,025	2,603,621	721,473	-	731	18,478	8,150
Disbursements:							
Current:							
Instruction	27,729	-	-	-	-	50,148	-
Support services	-	806	420,607	-	5,000	-	9,334
Noninstructional services	-	2,337,682	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	148,000	-	-	-	-	-
Interfund loans	-	-	295,000	-	-	-	-
Total disbursements	27,729	2,486,488	715,607	-	5,000	50,148	9,334
Excess (deficiency) of receipts over disbursements	70,296	117,133	5,866	-	(4,269)	(31,670)	(1,184)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(155,179)	-	-	-	-	-	-
Total other financing sources (uses)	(155,179)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(84,883)	117,133	5,866	-	(4,269)	(31,670)	(1,184)
Cash and investments - beginning	84,883	696,660	141	75,621	9,606	31,670	9,334
Cash and investments - ending	$ -	$ 813,793	$ 6,007	$ 75,621	$ 5,337	$ -	$ 8,150
Cash and Investment Assets - Ending							
Cash and investments	$ -	$ 813,793	$ 6,007	$ 75,621	$ 5,337	$ -	$ 8,150
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ 813,793	$ 6,007	$ 75,621	$ 5,337	$ -	$ 8,150
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	813,793	6,007	75,621	5,337	-	8,150
Total cash and investment fund balance - ending	$ -	$ 813,793	$ 6,007	$ 75,621	$ 5,337	$ -	$ 8,150

JENNINGS COUNTY 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, 2010
(Continued)

	High Ability Grant 2009-10	Common School Loan Technology	Drug Free Communities	Tech Prep Staff Development	Common School Loan Technology	Biomedical Sciences Grant
Receipts:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-
State sources	47,553	-	-	-	8,584	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	80,000	-	-	-	20,000
Other	-	484,904	-	-	-	20,000
Total receipts	47,553	564,904	-	-	8,584	40,000
Disbursements:						
Current:						
Instruction	43,328	-	-	-	8,375	19,160
Support services	-	381,194	-	-	-	-
Noninstructional services	-	-	522	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	185,000	-	-	500	21,000
Total disbursements	43,328	566,194	522	-	8,875	40,160
Excess (deficiency) of receipts over disbursements	4,225	(1,290)	(522)	-	(291)	(160)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,225	(1,290)	(522)	-	(291)	(160)
Cash and investments - beginning	-	1,290	522	27,725	291	160
Cash and investments - ending	$ 4,225	$ -	$ -	$ 27,725	$ -	$ -
Cash and Investment Assets - Ending						
Cash and investments	$ 4,225	$ -	$ -	$ 27,725	$ -	$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	$ 4,225	$ -	$ -	$ 27,725	$ -	$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	4,225	-	-	27,725	-	-
Total cash and investment fund balance - ending	$ 4,225	$ -	$ -	$ 27,725	$ -	$ -

JENNINGS COUNTY 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, 2010
(Continued)

	Laura Bush America's Libraries	Title I 2008-2009	Title I 2007-2008	ESEA Title V, Part A	PL 108-446 FY 2008 Carry-Over	PL 101-476 FY 2007 Carry-Over
Receipts:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	865,839	3,572	64,872	293,525
Interfund loans	-	-	-	-	-	120,000
Other	-	-	-	-	-	-
Total receipts	-	-	865,839	3,572	64,872	413,525
Disbursements:						
Current:						
Instruction	-	(3,886)	836,263	-	43,946	225,370
Support services	4	-	35,279	12,249	11,051	64,932
Noninstructional services	-	-	16,494	479	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	10,000	120,000
Total disbursements	4	(3,886)	888,036	12,728	64,997	410,302
Excess (deficiency) of receipts over disbursements	(4)	3,886	(22,197)	(9,156)	(125)	3,223
Other financing sources (uses):						
Transfers in	-	-	103,996	-	-	12,766
Transfers out	-	(103,996)	-	-	-	-
Total other financing sources (uses)	-	(103,996)	103,996	-	-	12,766
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4)	(100,110)	81,799	(9,156)	(125)	15,989
Cash and investments - beginning	4	100,110	-	9,156	125	1
Cash and investments - ending	$ -	$ -	$ 81,799	$ -	$ -	$ 15,990
Cash and Investment Assets - Ending						
Cash and investments	$ -	$ -	$ 81,799	$ -	$ -	$ 15,990
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ -	$ 81,799	$ -	$ -	$ 15,990
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	-	81,799	-	-	15,990
Total cash and investment fund balance - ending	$ -	$ -	$ 81,799	$ -	$ -	$ 15,990

JENNINGS COUNTY 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, 2010
(Continued)

	IDEA Part B FY 2009	IDEA Part B FY 2008	Special Education PreSchool	Preschool Federal FY 2008	5420 Federal FY 2008 Carry-Over	5430 Federal FY 2007 Carry-Over
Receipts:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	227,752	496,415	7,124	17,520	-	1,758
Interfund loans	-	650,000	2,000	40,000	-	-
Other	-	-	-	-	2,584	-
Total receipts	227,752	1,146,415	9,124	57,520	2,584	1,758
Disbursements:						
Current:						
Instruction	40,250	495,376	6,654	33,000	1,408	1,758
Support services	38,883	275,420	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	15,000	-	-	-	-	-
Interfund loans	125,000	350,000	2,500	20,000	1,500	-
Total disbursements	219,133	1,120,796	9,154	53,000	2,908	1,758
Excess (deficiency) of receipts over disbursements	8,619	25,619	(30)	4,520	(324)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(12,766)	-	-	-	-	-
Total other financing sources (uses)	(12,766)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,147)	25,619	(30)	4,520	(324)	-
Cash and investments - beginning	4,147	-	30	-	324	-
Cash and investments - ending	$ -	$ 25,619	$ -	$ 4,520	$ -	$ -
Cash and Investment Assets - Ending						
Cash and investments	$ -	$ 25,619	$ -	$ 4,520	$ -	$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ 25,619	$ -	$ 4,520	$ -	$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	25,619	-	4,520	-	-
Total cash and investment fund balance - ending	$ -	$ 25,619	$ -	$ 4,520	$ -	$ -

JENNINGS COUNTY 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, 2010
(Continued)

	Drug Free Schools 2006-2007	Drug Free Schools 2007-2008	Medicaid Reimbursement Federal	Outbound Grant	Title II Part A	Title II Part D
Receipts:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,100	-	10,270	254,812	324,146
Interfund loans	10,000	-	-	-	10,000	-
Other	-	-	-	-	-	-
Total receipts	10,000	2,100	-	10,270	264,812	324,146
Disbursements:						
Current:						
Instruction	-	9,982	-	6,840	232,186	-
Support services	9,084	(218)	1	-	15,901	246,309
Noninstructional services	-	215	-	-	11,158	14,897
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	5,500	-
Total disbursements	9,084	9,979	1	6,840	264,745	261,206
Excess (deficiency) of receipts over disbursements	916	(7,879)	(1)	3,430	67	62,940
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	916	(7,879)	(1)	3,430	67	62,940
Cash and investments - beginning	218	7,879	1	9,037	140	-
Cash and investments - ending	$ 1,134	$ -	$ -	$ 12,467	$ 207	$ 62,940
Cash and Investment Assets - Ending						
Cash and investments	$ 1,134	$ -	$ -	$ 12,467	$ 207	$ 62,940
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	$ 1,134	$ -	$ -	$ 12,467	$ 207	$ 62,940
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	1,134	-	-	12,467	207	62,940
Total cash and investment fund balance - ending	$ 1,134	$ -	$ -	$ 12,467	$ 207	$ 62,940

JENNINGS COUNTY 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, 2010
(Continued)

	Title III Language Instruction	Title I Stimulus 2009	Special Education Part-B Stimulus	Education Preschool Stimulus 2009	McKinney-Vento Homeless Program	Stimulus School Lunch Equipment
Receipts:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
Intermediate sources	-	-	-	-	-	-
State sources	648	-	-	-	-	-
Federal sources	-	291,172	537,196	22,515	14,775	-
Interfund loans	-	-	50,000	-	-	-
Other	-	-	-	-	-	-
Total receipts	648	291,172	587,196	22,515	14,775	-
Disbursements:						
Current:						
Instruction	-	239,501	60,395	23,489	-	-
Support services	-	13,741	440,805	-	-	-
Noninstructional services	-	735	16,009	-	14,775	14,540
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	7,903	12,000	-	-	-
Interfund loans	-	-	40,000	-	-	-
Total disbursements	-	261,880	569,209	23,489	14,775	14,540
Excess (deficiency) of receipts over disbursements	648	29,292	17,987	(974)	-	(14,540)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	14,540
Transfers out	-	-	(14,540)	-	-	-
Total other financing sources (uses)	-	-	(14,540)	-	-	14,540
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	648	29,292	3,447	(974)	-	-
Cash and investments - beginning	1,275	-	2,598	3,915	-	-
Cash and investments - ending	$ 1,923	$ 29,292	$ 6,045	$ 2,941	$ -	$ -
Cash and Investment Assets - Ending						
Cash and investments	$ 1,923	$ 29,292	$ 6,045	$ 2,941	$ -	$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	$ 1,923	$ 29,292	$ 6,045	$ 2,941	$ -	$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	1,923	29,292	6,045	2,941	-	-
Total cash and investment fund balance - ending	$ 1,923	$ 29,292	$ 6,045	$ 2,941	$ -	$ -

JENNINGS COUNTY 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, 2010
(Continued)

	Donation	Economic Development Eco Grant	Retirement/ Severance Bond	School Bus Replacement	Construction	Totals
Receipts:						
Local sources	$ -	$ -	$ 586,984	$ 356,334	$ -	$ 2,087,670
Intermediate sources	-	-	-	-	-	731
State sources	-	-	-	-	-	386,813
Federal sources	-	-	-	-	-	5,060,730
Interfund loans	-	1,000	180,000	60,000	-	1,573,000
Other	-	53,137	-	-	-	560,625
Total receipts	-	54,137	766,984	416,334	-	9,669,569
Disbursements:						
Current:						
Instruction	-	-	-	-	-	2,401,272
Support services	-	50,737	-	188,967	-	2,220,086
Noninstructional services	-	-	-	-	-	2,427,506
Facilities acquisition and construction	-	-	-	-	279,882	279,882
Debt services	-	-	385,287	-	-	385,287
Nonprogrammed charges	-	-	-	-	-	182,903
Interfund loans	-	1,000	360,000	60,000	-	1,597,000
Total disbursements	-	51,737	745,287	248,967	279,882	9,493,936
Excess (deficiency) of receipts over disbursements	-	2,400	21,697	167,367	(279,882)	175,633
Other financing sources (uses):						
Transfers in	-	-	-	-	-	131,302
Transfers out	-	-	-	-	-	(286,481)
Total other financing sources (uses)	-	-	-	-	-	(155,179)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,400	21,697	167,367	(279,882)	20,454
Cash and investments - beginning	9,226	-	3,033	38,275	279,882	1,407,279
Cash and investments - ending	$ 9,226	$ 2,400	$ 24,730	$ 205,642	$ -	$ 1,427,733
Cash and Investment Assets - Ending						
Cash and investments	$ 9,226	$ 2,400	$ -	$ 205,642	$ -	$ 1,403,003
Restricted assets:						
Cash and investments	-	-	24,730	-	-	24,730
Total cash and investment assets - ending	$ 9,226	$ 2,400	$ 24,730	$ 205,642	$ -	$ 1,427,733
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ 24,730	$ -	$ -	$ 24,730
Unrestricted	9,226	2,400	-	205,642	-	1,403,003
Total cash and investment fund balance - ending	$ 9,226	$ 2,400	$ 24,730	$ 205,642	$ -	$ 1,427,733

JENNINGS COUNTY SCHOOL CORPORATION
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For the Year Ended June 30, 2009

	Payroll Withholdings
Additions:	
Agency fund additions	$ 9,044,858
Deductions:	
Agency fund deductions	8,965,226
Excess of total additions over total deductions	79,632
Cash and investment fund balance - beginning	151,994
Cash and investment fund balance - ending	$ 231,626

JENNINGS COUNTY SCHOOL CORPORATION
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For the Year Ended June 30, 2010

	Payroll Withholdings
Additions:	
Agency fund additions	$ 9,076,569
Deductions:	
Agency fund deductions	9,171,859
Deficiency of total additions over total deductions	(95,290)
Cash and investment fund balance - beginning	231,626
Cash and investment fund balance - ending	$ 136,336

JENNINGS COUNTY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2010

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

Primary Government	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	$ 82,770
Buildings	45,111,668
Improvements other than buildings	7,864,699
Machinery and equipment	10,229,919
Total governmental activities, capital assets not being depreciated	$ 63,289,056

JENNINGS COUNTY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Jennings County Middle School	$ 2,140,000	$ 777,684
Sandcreek Elementary	6,435,000	898,500
Scipio Elementary/Brush Creek Elementary/ Jennings County Middle School	6,925,000	616,500
Jennings County High School Additions	5,615,000	442,000
Loans payable:		
Common school loans	771,878	208,388
Bonds payable:		
General obligation bonds:		
Pension Bonds	2,850,000	385,002
Total governmental activities debt	$ 24,736,878	$ 3,328,074

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 JENNINGS COUNTY SCHOOL CORPORATION, JENNINGS COUNTY, INDIANA

Compliance

We have audited the compliance of the Jennings 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, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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.

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

January 31, 2011

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		SY 08-09	$ 401,344	$ -
		SY 09-10	-	480,602
National School Lunch Program	10.555			
		SY 08-09	1,145,401	-
		SY 09-10	-	1,293,769
Total for cluster			1,546,745	1,774,371
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579			
		SY 09-10	-	14,540
Total for federal grantor agency			1,546,745	1,788,911
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			
School Improvement Funds		08-4015	9,935	-
		08-4015	633	-
		09-4015	816,577	-
		10-4015	-	888,036
Total for program			827,145	888,036
ARRA - Title 1, Grants to Local Educational Agencies, Recovery Act	84.389			
		10-4015	-	261,880
Total for cluster			827,145	1,149,916
Special Education Cluster				
Special Education - Grants to States				
	84.027	14207-072-PY02	85,569	-
		14208-072-PN01	145,099	-
		14208-072-PY02	266,625	54,997
		14209-072-PN01	930,853	94,133
		14209-072-PY02	-	290,302
		14210-072-PN01	-	770,796
Total for program				
			1,428,146	1,210,228
Special Education - Preschool Grants	84.173			
		45708-072-PN01	1,362	-
		45708-072-PY02	2,993	1,408
		45709-072-PN01	29,870	4,070
		45709-072-PY02	-	1,758
		45710-072-PN01	-	33,000
Total for program			34,225	40,236
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-072-SN01	37,402	529,209
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-072-SN01	-	23,489
Total for cluster			1,499,773	1,803,162

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Education (continued)				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
		10-4015	-	3,772,469
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397			
		10-4015	-	14,775
Total for cluster			-	3,787,244
Career and Technical Education - Basic Grants to States	84.048			
		C1-10 SPL BIO-9-87	-	20,000
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		05-143	255	-
		4015-06	369	-
		07-4015	17,532	218
		08-4015	4,759	9,979
		09-4015	-	8,866
Total for program			22,915	19,063
State Grants for Innovative Programs	84.298			
		05-136	9,978	-
		06-4015	9,469	-
		07-4015	-	9,156
		Supplemental FY 07	-	3,572
Total for program			19,447	12,728
Education Technology State Grants Cluster				
Education Technology State Grants	84.318			
		C1094015	-	95,241
		C209T4015	-	165,965
Total for program			-	261,206
Improving Teacher Quality State Grants	84.367			
		07-4015	28,360	-
		08-4015	207,360	18,855
		09-4015	-	240,390
Total for program			235,720	259,245
Total for federal grantor agency			2,605,000	7,312,564
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through Purdue University				
Block Grants for Prevention and Treatment of Substance Abuse	93.959			
		SY 07-08	5,700	-
		SY 08-09	5,662	-
		SY 09-10	-	6,840
Total for federal grantor agency			11,362	6,840
Total federal awards expended			$ 4,163,107	$ 9,108,315

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

JENNINGS COUNTY SCHOOL CORPORATION
NOTE 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 Jennings 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 statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	$ 23,310	$ 40,359
National School Lunch Program	10.555	120,363	108,645

JENNINGS COUNTY 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:

Name of Federal Program or Cluster
Child Nutrition Cluster
Title I, Part A Cluster
Special Education Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee?	no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JENNINGS COUNTY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JENNINGS COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 31, 2011, with Amber K. Fields, Treasurer; Steve Elmore, President of the School Board; and Dr. Michael J. Bushong, Superintendent of Schools. Our audit disclosed no material items that warrant comment at this time.