

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

SWITZERLAND COUNTY SCHOOL CORPORATION  
SWITZERLAND COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
03/04/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Wilma S. Swango	07-01-10 to 06-30-13
Superintendent of Schools	Elizabeth Tharp Jones Michael L. Jones	07-01-10 to 06-30-12 07-01-12 to 06-30-13
President of the School Board	James Phipps Andy Truitt James Phipps Nancy Peters	01-01-10 to 12-31-10 01-01-11 to 12-31-11 01-01-12 to 12-31-12 01-01-13 to 12-31-13



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Switzerland County School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 2013, 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.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 5, 2013



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

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

We have audited the financial statement of the Switzerland County School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 5, 2013. 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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

February 5, 2013

## FINANCIAL STATEMENT

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

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SWITZERLAND COUNTY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 2,593,981	\$ 10,049,410	\$ 9,734,850	\$ 12,054	\$ 2,920,595	\$ 9,874,843	\$ 9,592,922	\$ 11,798	\$ 3,214,314
Debt Service	489,262	505,463	538,344	-	456,381	269,015	538,242	-	187,154
Capital Projects	1,609,351	1,955,980	1,741,134	833	1,825,030	1,905,731	1,679,129	-	2,051,632
School Transportation	310,560	1,171,745	1,089,940	-	392,365	1,209,592	1,124,082	17,656	495,531
School Bus Replacement	678,588	132,822	179,502	-	631,908	158,289	33,338	-	756,859
Rainy Day	245,753	50,704	122,289	-	174,168	28,337	(799)	-	203,304
Construction	459,056	(6,786)	452,270	-	-	-	-	-	-
School Lunch	132,643	658,260	603,045	-	187,858	703,728	675,305	-	216,281
Textbook Rental	61,880	84,906	-	(10,952)	135,834	12,009	10,826	(11,798)	125,219
HRA/Self-Insurance	266,471	632,812	552,151	-	347,132	1,359,308	1,222,413	-	484,027
Levy Excess	-	17,656	-	-	17,656	-	-	(17,656)	-
Educational License Plates	136	75	-	-	211	56	-	-	267
Instruction Support	-	12,945	12,945	-	-	7,571	7,571	-	-
Dow Corning Grant	4,300	5,000	6,667	-	2,633	-	2,633	-	-
Vevay Switzerland County Foundation Grants	1,426	18,312	18,916	-	822	25,196	21,927	-	4,091
Community Foundation	-	500	1,434	-	(934)	6,803	6,119	-	(250)
United Fund of Switzerland County	-	690	275	-	415	-	415	-	-
SCAT Grant 2011	-	2,355	2,135	-	220	-	220	-	-
Non-English Speaking Programs P.L. 273-1999	-	300	-	-	300	-	300	-	-
School Technology	81,189	55,091	21,959	-	114,321	4,439	114,059	-	4,701
Classroom Innovation In Math	-	42,409	35,801	-	6,608	-	6,608	-	-
Community Foundation Technology	-	50,000	9,563	-	40,437	-	38,331	-	2,106
Community Technology 2012-13	-	-	-	-	-	43,750	-	-	43,750
Performance Based Awards	1,008	387	1,395	-	-	-	-	-	-
Title I 2007-08	-	(10,190)	(10,190)	-	-	-	-	-	-
Title I 2009-10	11,919	47,260	59,179	-	-	-	-	-	-
Title I 2010-11	-	305,096	372,437	-	(67,341)	162,871	95,530	-	-
Title I 2011-12	-	-	-	-	-	176,590	430,486	-	(253,896)
Title V-A Innovative	(17,500)	-	7,500	25,000	-	-	-	-	-
Drug-Free Title IV-A	-	-	-	-	-	1,212	1,212	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	87,574	10,000	97,574	-	-	-	-	-	-
Title II-A Teacher Quality 2010-12	-	-	-	-	-	55,981	97,564	-	(41,583)
Title II-A Teacher Quality FY 11	-	-	-	-	-	2,055	20,347	-	(18,292)
Title II-A Teacher Quality 2008-09	33,063	-	8,063	(25,000)	-	-	-	-	-
ITQ, Enhanced Education Through Technology, Title II, Part D	1,427	-	1,427	-	-	-	-	-	-
Title VI-B Rural School 2009-11	-	21,983	39,035	-	(17,052)	18,291	1,239	-	-
Title VI-B Rural School 2010-12	-	-	3,162	-	(3,162)	28,204	48,828	-	(23,786)
Title I - Grants to LEAs	10,771	60,742	102,566	-	(31,053)	67,998	36,945	-	-
School Lunch Equipment	-	10,326	10,326	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	152,005	273,616	-	(121,611)
Payroll Deductions	-	2,543,590	2,543,618	-	(28)	2,546,736	2,547,597	-	(889)
<b>Totals</b>	<b>\$ 7,062,858</b>	<b>\$ 18,429,843</b>	<b>\$ 18,359,312</b>	<b>\$ 1,935</b>	<b>\$ 7,135,324</b>	<b>\$ 18,820,610</b>	<b>\$ 18,627,005</b>	<b>\$ -</b>	<b>\$ 7,328,929</b>

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

SWITZERLAND COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

The accompanying financial statement presents the financial information for the School Corporation.

*B. Basis of Accounting*

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

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

SWITZERLAND COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other financing sources and uses*

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

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

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

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

SWITZERLAND COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

SWITZERLAND COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

*B. Teacher's Retirement Fund*

*Plan Description*

The Indiana Teacher's Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority

SWITZERLAND COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash balances. This is a result of disbursements made prior to disbursements being reimbursed from grant proceeds as directed by the Department of Education effective during the current audit period. These deficits are to be repaid from future receipts.

**Note 8. Negative Receipts and Disbursements**

The financial statement contains receipts and/or disbursements which appear as negative entries. This is a result of the correction of errors from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the corrections were made in separate periods, the negative receipts/disbursements were shown in the current period.

## SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,593,981	\$ 489,262	\$ 1,609,351	\$ 310,560	\$ 678,588	\$ 245,753	\$ 459,056	\$ 132,643	\$ 61,880
Receipts:									
Local sources	104,852	505,463	1,955,980	1,167,659	132,822	50,704	(6,786)	298,847	84,906
Intermediate sources	743	-	-	-	-	-	-	-	-
State sources	9,943,811	-	-	-	-	-	-	5,942	-
Federal sources	-	-	-	-	-	-	-	353,471	-
Other	4	-	-	4,086	-	-	-	-	-
Total receipts	<u>10,049,410</u>	<u>505,463</u>	<u>1,955,980</u>	<u>1,171,745</u>	<u>132,822</u>	<u>50,704</u>	<u>(6,786)</u>	<u>658,260</u>	<u>84,906</u>
Disbursements:									
Current:									
Instruction	6,826,588	-	-	-	-	-	-	-	-
Support services	2,848,107	-	503,769	1,089,940	179,502	33,305	-	221	-
Noninstructional services	60,155	-	-	-	-	-	-	602,824	-
Facilities acquisition and construction	-	-	1,237,365	-	-	88,984	452,270	-	-
Debt services	-	538,344	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>9,734,850</u>	<u>538,344</u>	<u>1,741,134</u>	<u>1,089,940</u>	<u>179,502</u>	<u>122,289</u>	<u>452,270</u>	<u>603,045</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>314,560</u>	<u>(32,881)</u>	<u>214,846</u>	<u>81,805</u>	<u>(46,680)</u>	<u>(71,585)</u>	<u>(459,056)</u>	<u>55,215</u>	<u>84,906</u>
Other financing sources (uses):									
Sale of capital assets	1,102	-	833	-	-	-	-	-	-
Transfers in	10,952	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(10,952)
Total other financing sources (uses)	<u>12,054</u>	<u>-</u>	<u>833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,952)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>326,614</u>	<u>(32,881)</u>	<u>215,679</u>	<u>81,805</u>	<u>(46,680)</u>	<u>(71,585)</u>	<u>(459,056)</u>	<u>55,215</u>	<u>73,954</u>
Cash and investments - ending	<u>\$ 2,920,595</u>	<u>\$ 456,381</u>	<u>\$ 1,825,030</u>	<u>\$ 392,365</u>	<u>\$ 631,908</u>	<u>\$ 174,168</u>	<u>\$ -</u>	<u>\$ 187,858</u>	<u>\$ 135,834</u>

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

	HRA Self- Insurance	Levy Excess	Educational License Plates	Instruction Support	Dow Corning Grant	Vevay Switzerland County Foundation Grants	Community Foundation	United Fund of Switzerland County	SCAT Grant 2011
Cash and investments - beginning	\$ 266,471	\$ -	\$ 136	\$ -	\$ 4,300	\$ 1,426	\$ -	\$ -	\$ -
Receipts:									
Local sources	632,812	17,656	19	12,945	5,000	18,312	500	690	-
Intermediate sources	-	-	56	-	-	-	-	-	2,355
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	632,812	17,656	75	12,945	5,000	18,312	500	690	2,355
Disbursements:									
Current:									
Instruction	-	-	-	-	6,667	6,129	934	-	2,135
Support services	209,644	-	-	-	-	-	-	275	-
Noninstructional services	-	-	-	-	-	-	500	-	-
Facilities acquisition and construction	-	-	-	12,945	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	342,507	-	-	-	-	12,787	-	-	-
Total disbursements	552,151	-	-	12,945	6,667	18,916	1,434	275	2,135
Excess (deficiency) of receipts over disbursements	80,661	17,656	75	-	(1,667)	(604)	(934)	415	220
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	80,661	17,656	75	-	(1,667)	(604)	(934)	415	220
Cash and investments - ending	\$ 347,132	\$ 17,656	\$ 211	\$ -	\$ 2,633	\$ 822	\$ (934)	\$ 415	\$ 220

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

	Non-English Speaking Programs P.L. 273-1999	School Technology	Classroom Innovation In Math	Community Foundation Technology	Community Technology 2012-13	Performance Based Awards	Title I 2007-08	Title I 2009-10
Cash and investments - beginning	\$ -	\$ 81,189	\$ -	\$ -	\$ -	\$ 1,008	\$ -	\$ 11,919
Receipts:								
Local sources	-	52,871	-	50,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	300	2,220	42,409	-	-	387	-	-
Federal sources	-	-	-	-	-	-	(10,190)	47,260
Other	-	-	-	-	-	-	-	-
Total receipts	300	55,091	42,409	50,000	-	387	(10,190)	47,260
Disbursements:								
Current:								
Instruction	-	-	35,801	9,563	-	1,120	(10,190)	53,774
Support services	-	21,959	-	-	-	275	-	2,405
Noninstructional services	-	-	-	-	-	-	-	3,000
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	21,959	35,801	9,563	-	1,395	(10,190)	59,179
Excess (deficiency) of receipts over disbursements	300	33,132	6,608	40,437	-	(1,008)	-	(11,919)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	300	33,132	6,608	40,437	-	(1,008)	-	(11,919)
Cash and investments - ending	\$ 300	\$ 114,321	\$ 6,608	\$ 40,437	\$ -	\$ -	\$ -	\$ -

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

	Title I 2010-11	Title I 2011-12	Title V-A Innovative	Drug-Free Title IV-A	Improving Teaching Quality No Child Left Title II, Part A	Title II-A Teacher Quality 2010-12	Title II-A Teacher Quality FY 11	Title II-A Teacher Quality 2008-09
Cash and investments - beginning	\$ -	\$ -	\$ (17,500)	\$ -	\$ 87,574	\$ -	\$ -	\$ 33,063
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	305,096	-	-	-	10,000	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	305,096	-	-	-	10,000	-	-	-
Disbursements:								
Current:								
Instruction	358,366	-	7,500	-	97,574	-	-	8,063
Support services	10,452	-	-	-	-	-	-	-
Noninstructional services	3,619	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	372,437	-	7,500	-	97,574	-	-	8,063
Excess (deficiency) of receipts over disbursements	(67,341)	-	(7,500)	-	(87,574)	-	-	(8,063)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	25,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(25,000)
Total other financing sources (uses)	-	-	25,000	-	-	-	-	(25,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(67,341)	-	17,500	-	(87,574)	-	-	(33,063)
Cash and investments - ending	\$ (67,341)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	ITQ Enhanced Education Through Technology Title II, Part D	Title VI-B Rural School 2009-11	Title VI-B Rural School 2010-12	Title I Grants to LEAs	School Lunch Equipment	Education Jobs	Payroll Deductions	Totals
Cash and investments - beginning	\$ 1,427	\$ -	\$ -	\$ 10,771	\$ -	\$ -	\$ -	\$ 7,062,858
Receipts:								
Local sources	-	-	-	-	-	-	-	5,085,252
Intermediate sources	-	-	-	-	-	-	-	3,154
State sources	-	-	-	-	-	-	-	9,995,069
Federal sources	-	21,983	-	60,742	10,326	-	-	798,688
Other	-	-	-	-	-	-	2,543,590	2,547,680
Total receipts	-	21,983	-	60,742	10,326	-	2,543,590	18,429,843
Disbursements:								
Current:								
Instruction	-	38,774	3,162	81,813	-	-	-	7,527,773
Support services	1,427	261	-	20,753	-	-	-	4,922,295
Noninstructional services	-	-	-	-	-	-	-	670,098
Facilities acquisition and construction	-	-	-	-	10,326	-	-	1,801,890
Debt services	-	-	-	-	-	-	-	538,344
Nonprogrammed charges	-	-	-	-	-	-	2,543,618	2,898,912
Total disbursements	1,427	39,035	3,162	102,566	10,326	-	2,543,618	18,359,312
Excess (deficiency) of receipts over disbursements	(1,427)	(17,052)	(3,162)	(41,824)	-	-	(28)	70,531
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	1,935
Transfers in	-	-	-	-	-	-	-	35,952
Transfers out	-	-	-	-	-	-	-	(35,952)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,935
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,427)	(17,052)	(3,162)	(41,824)	-	-	(28)	72,466
Cash and investments - ending	\$ -	\$ (17,052)	\$ (3,162)	\$ (31,053)	\$ -	\$ -	\$ (28)	\$ 7,135,324

SWITZERLAND COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,920,595	\$ 456,381	\$ 1,825,030	\$ 392,365	\$ 631,908	\$ 174,168	\$ -	\$ 187,858	\$ 135,834
Receipts:									
Local sources	199,965	269,015	1,905,731	1,204,781	158,289	28,337	-	288,926	12,009
Intermediate sources	1,486	-	-	-	-	-	-	-	-
State sources	9,672,892	-	-	-	-	-	-	5,397	-
Federal sources	-	-	-	-	-	-	-	409,405	-
Other	500	-	-	4,811	-	-	-	-	-
Total receipts	<u>9,874,843</u>	<u>269,015</u>	<u>1,905,731</u>	<u>1,209,592</u>	<u>158,289</u>	<u>28,337</u>	<u>-</u>	<u>703,728</u>	<u>12,009</u>
Disbursements:									
Current:									
Instruction	6,571,474	-	-	-	-	-	-	-	-
Support services	2,959,941	-	623,486	1,124,082	33,338	(799)	-	97	10,826
Noninstructional services	61,507	-	-	-	-	-	-	675,208	-
Facilities acquisition and construction	-	-	1,055,643	-	-	-	-	-	-
Debt services	-	538,242	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>9,592,922</u>	<u>538,242</u>	<u>1,679,129</u>	<u>1,124,082</u>	<u>33,338</u>	<u>(799)</u>	<u>-</u>	<u>675,305</u>	<u>10,826</u>
Excess (deficiency) of receipts over disbursements	<u>281,921</u>	<u>(269,227)</u>	<u>226,602</u>	<u>85,510</u>	<u>124,951</u>	<u>29,136</u>	<u>-</u>	<u>28,423</u>	<u>1,183</u>
Other financing sources (uses):									
Transfers in	11,798	-	-	17,656	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(11,798)
Total other financing sources (uses)	<u>11,798</u>	<u>-</u>	<u>-</u>	<u>17,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,798)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>293,719</u>	<u>(269,227)</u>	<u>226,602</u>	<u>103,166</u>	<u>124,951</u>	<u>29,136</u>	<u>-</u>	<u>28,423</u>	<u>(10,615)</u>
Cash and investments - ending	<u>\$ 3,214,314</u>	<u>\$ 187,154</u>	<u>\$ 2,051,632</u>	<u>\$ 495,531</u>	<u>\$ 756,859</u>	<u>\$ 203,304</u>	<u>\$ -</u>	<u>\$ 216,281</u>	<u>\$ 125,219</u>

SWITZERLAND COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	HRA Self- Insurance	Levy Excess	Educational License Plates	Instruction Support	Dow Corning Grant	Vevay Switzerland County Foundation Grants	Community Foundation	United Fund of Switzerland County	SCAT Grant 2011
Cash and investments - beginning	\$ 347,132	\$ 17,656	\$ 211	\$ -	\$ 2,633	\$ 822	\$ (934)	\$ 415	\$ 220
Receipts:									
Local sources	1,359,308	-	-	7,571	-	25,196	6,803	-	-
Intermediate sources	-	-	56	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,359,308	-	56	7,571	-	25,196	6,803	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	2,633	13,564	1,869	-	220
Support services	1,222,413	-	-	-	-	925	-	415	-
Noninstructional services	-	-	-	-	-	4,250	4,250	-	-
Facilities acquisition and construction	-	-	-	7,571	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	3,188	-	-	-
Total disbursements	1,222,413	-	-	7,571	2,633	21,927	6,119	415	220
Excess (deficiency) of receipts over disbursements	136,895	-	56	-	(2,633)	3,269	684	(415)	(220)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(17,656)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(17,656)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	136,895	(17,656)	56	-	(2,633)	3,269	684	(415)	(220)
Cash and investments - ending	\$ 484,027	\$ -	\$ 267	\$ -	\$ -	\$ 4,091	\$ (250)	\$ -	\$ -

SWITZERLAND COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Classroom Innovation In Math	Community Foundation Technology	Community Technology 2012-13	Performance Based Awards	Title I 2007-08	Title I 2009-10
Cash and investments - beginning	\$ 300	\$ 114,321	\$ 6,608	\$ 40,437	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	43,750	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	4,439	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	4,439	-	-	43,750	-	-	-
Disbursements:								
Current:								
Instruction	-	-	6,608	38,331	-	-	-	-
Support services	300	114,059	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	300	114,059	6,608	38,331	-	-	-	-
Excess (deficiency) of receipts over disbursements	(300)	(109,620)	(6,608)	(38,331)	43,750	-	-	-
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	(300)	(109,620)	(6,608)	(38,331)	43,750	-	-	-
Cash and investments - ending	\$ -	\$ 4,701	\$ -	\$ 2,106	\$ 43,750	\$ -	\$ -	\$ -

SWITZERLAND COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Title I 2010-11	Title I 2011-12	Title V-A Innovative	Drug-Free Title IV-A	Improving Teaching Quality No Child Left Title II, Part A	Title II-A Teacher Quality 2010-12	Title II-A Teacher Quality FY 11	Title II-A Teacher Quality 2008-09
Cash and investments - beginning	\$ (67,341)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	162,871	176,590	-	1,212	-	55,981	2,055	-
Other	-	-	-	-	-	-	-	-
Total receipts	162,871	176,590	-	1,212	-	55,981	2,055	-
Disbursements:								
Current:								
Instruction	91,873	367,065	-	1,212	-	97,564	-	-
Support services	(185)	63,421	-	-	-	-	20,347	-
Noninstructional services	3,842	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	95,530	430,486	-	1,212	-	97,564	20,347	-
Excess (deficiency) of receipts over disbursements	67,341	(253,896)	-	-	-	(41,583)	(18,292)	-
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	67,341	(253,896)	-	-	-	(41,583)	(18,292)	-
Cash and investments - ending	\$ -	\$ (253,896)	\$ -	\$ -	\$ -	\$ (41,583)	\$ (18,292)	\$ -

SWITZERLAND COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	ITQ Enhanced Education Through Technology Title II, Part D	Title VI-B Rural School 2009-11	Title VI-B Rural School 2010-12	Title I Grants to LEAs	School Lunch Equipment	Education Jobs	Payroll Deductions	Totals
Cash and investments - beginning	\$ -	\$ (17,052)	\$ (3,162)	\$ (31,053)	\$ -	\$ -	\$ (28)	\$ 7,135,324
Receipts:								
Local sources	-	-	-	-	-	-	-	5,509,681
Intermediate sources	-	-	-	-	-	-	-	1,542
State sources	-	-	-	-	-	-	-	9,682,728
Federal sources	-	18,291	28,204	67,998	-	152,005	-	1,074,612
Other	-	-	-	-	-	-	2,546,736	2,552,047
Total receipts	-	18,291	28,204	67,998	-	152,005	2,546,736	18,820,610
Disbursements:								
Current:								
Instruction	-	-	48,828	26,517	-	273,616	-	7,541,374
Support services	-	1,239	-	10,428	-	-	-	6,184,333
Noninstructional services	-	-	-	-	-	-	-	749,057
Facilities acquisition and construction	-	-	-	-	-	-	-	1,063,214
Debt services	-	-	-	-	-	-	-	538,242
Nonprogrammed charges	-	-	-	-	-	-	2,547,597	2,550,785
Total disbursements	-	1,239	48,828	36,945	-	273,616	2,547,597	18,627,005
Excess (deficiency) of receipts over disbursements	-	17,052	(20,624)	31,053	-	(121,611)	(861)	193,605
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	29,454
Transfers out	-	-	-	-	-	-	-	(29,454)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	17,052	(20,624)	31,053	-	(121,611)	(861)	193,605
Cash and investments - ending	\$ -	\$ -	\$ (23,786)	\$ -	\$ -	\$ (121,611)	\$ (889)	\$ 7,328,929

SWITZERLAND COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**COLLECTIVE BARGAINING AGREEMENT**

A master contract between the School Corporation and the Switzerland County Classroom Teachers Association (Association) for school year 2011-2012, dated September 30, 2011, included the following subjects not authorized by Indiana Code 20-29-6-4:

1. Payroll withholdings including withholding of Association membership dues.
2. Liability insurance to cover a teacher who uses his/her personal vehicle or a school corporation vehicle for school or extra-curricular duties.
3. General liability insurance to cover a teacher for performing his/her professional duties as a teacher.
4. Job sharing.
5. Authorization for teachers to attend school sponsored events held at a School Corporation facility free of charge.

The contract for school year 2012-2013, dated September 17, 2012, continued to contain items 2, 3 and 5 shown above.

Indiana Code 20-29-6-4 states the following:

"(a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool."

Indiana Code 20-29-6-4.5 states the following:

"(a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

- (1) The school calendar.
- (2) Teacher dismissal procedures and criteria.
- (3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.

SWITZERLAND COUNTY SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

- (4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
- (5) Any subject not expressly listed in section 4 of this chapter.

(b) A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article."

Financial losses related to a school corporation's inclusion of prohibited subjects may be the personal obligation of the responsible school official or employee. (The School Administrator and Uniform Compliance Guidelines Volume 198, June 2012)

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

The information presented for audit showed enrollment figures on the Report of Average Daily Membership (ADM), for State support, were understated by 1 student for each of the school years ending June 30, 2011 and 2012.

The enrollment count dates for 2010-2011 and 2011-2012 were September 17, 2010, and September 16, 2011, respectively. The differences between the count reported on the ADM and the verified figures are shown below:

<u>School Year</u>	<u>Grade</u>	<u>Count as Reported on Form No. 30A</u>	<u>Actual Enrollment Figures</u>	<u>Differences</u>
2010-2011	Kindergarten	47	46	1
2010-2011	1 Through 12	1,336	1,338	(2)
2011-2012	Kindergarten	56	56	-
2011-2012	1 Through 12	1,296	1,297	(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)

***INTERNAL CONTROLS OVER EXPENDITURES***

We noted the following deficiency in the internal control over expenditures that we believe constitutes a significant deficiency:

A review of claims and invoices showed that 45 percent of those selected for testing were not certified by the department head or other employee that the goods or services purchased were received.

Failure to verify delivery of goods or services places the School Corporation at risk that material misstatements to the financial statement will not be prevented or detected in a timely manner.

SWITZERLAND COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless . . . the invoice or bill is approved by the officer or person receiving the goods and services . . ."

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Switzerland County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

STATE BOARD OF ACCOUNTS

February 5, 2013

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

SWITZERLAND COUNTY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
FY 11			\$ 94,442	\$ -
FY 12			-	118,961
			<u>94,442</u>	<u>118,961</u>
Total for program			<u>94,442</u>	<u>118,961</u>
National School Lunch Program	10.555			
FY 11			303,267	-
FY 12			-	332,363
			<u>303,267</u>	<u>332,363</u>
Total for program			<u>303,267</u>	<u>332,363</u>
Total for cluster			<u>397,709</u>	<u>451,324</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability School Lunch Equipment	10.579		10,326	-
			<u>10,326</u>	<u>-</u>
Total for federal grantor agency			<u>408,035</u>	<u>451,324</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 2009-10		10-7775	59,179	-
FY 2010-11		11-7775	372,437	95,531
FY 2011-12		12-7775	-	176,590
			<u>431,616</u>	<u>272,121</u>
Total for program			<u>431,616</u>	<u>272,121</u>
ARRA Title I Grants to Local Educational Agencies, Recovery Act	84.389		102,565	36,946
			<u>102,565</u>	<u>36,946</u>
Total for cluster			<u>534,181</u>	<u>309,067</u>
Educational Technology State Grants Cluster				
Educational Technology State Grants	84.318			
Title II, Part D, Grant S318X080014		FY 09-10	1,427	-
			<u>1,427</u>	<u>-</u>
Total for cluster			<u>1,427</u>	<u>-</u>
Safe and Drug-Free Schools and Communities State Grants	84.186			
Title IV FY 09/10 Supplemental			-	1,212
			<u>-</u>	<u>1,212</u>
State Grants for Innovative Programs	84.298			
Title V, Part A, SY 08-09		07-7775	7,500	-
			<u>7,500</u>	<u>-</u>
Rural Education	84.358			
Title VI Part B-Rural Education Achievement Program				
Project Period 09-11		FY 09	39,035	1,239
Project Period 10-12		FY 10	-	28,204
			<u>39,035</u>	<u>29,443</u>
Total for program			<u>39,035</u>	<u>29,443</u>
Improving Teacher Quality State Grants	84.367			
SY 08-09		08-7775	8,062	-
SY 09-10		09-7775	97,573	-
SY 10-11		10-7775	-	55,981
SY 11-12		11-7775	-	2,055
			<u>105,635</u>	<u>58,036</u>
Total for program			<u>105,635</u>	<u>58,036</u>
Education Jobs Fund	84.410		-	152,005
			<u>-</u>	<u>152,005</u>
Total for federal grantor agency			<u>687,778</u>	<u>549,763</u>
Total federal awards expended			<u>\$ 1,095,813</u>	<u>\$ 1,001,087</u>

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

SWITZERLAND COUNTY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Switzerland County School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School breakfast	10.553	\$ 10,505	\$ 10,962
National school lunch	10.555	33,733	30,957

SWITZERLAND COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title I, Part A Cluster

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

Auditee qualified as low-risk auditee?	no
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SWITZERLAND COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***Section II – Financial Statement Findings***

***FINDING 2012-1 - INTERNAL CONTROLS OVER EXPENDITURES***

We noted the following deficiency in the internal control over expenditures that we believe constitutes a significant deficiency:

A review of claims and invoices showed that 45 percent of those selected for testing were not certified by the department head or other employee that the goods or services purchased were received.

Failure to verify delivery of goods or services places the School Corporation at risk that material misstatements to the financial statement will not be prevented or detected in a timely manner.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We recommended the School Corporation implement controls to monitor that goods or services are properly verified by the authorized School Corporation official or employee.

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

No matters are reportable.

# Switzerland County School Corporation

Switzerland Co. High School  
1020 W. Main Street  
Vevay, Indiana 47043

Office of Superintendent  
1040 W. Main Street  
Vevay, Indiana 47043  
(812) 427-2611 / 2612  
Fax (812) 427-2044

Jefferson - Craig Elementary School  
• 1002 W. Main Street  
Vevay, Indiana 47043

Switzerland Co. Middle School  
1004 W. Main Street  
Vevay, Indiana 47043

Switzerland Co. Elementary School  
P.O. Box 87  
East Enterprise, Indiana 47019

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## Corrective Action Plan For Switzerland County School Corporation

February 5, 2013

Finding No. 2012-1 Internal Controls over Expenditures

Contact Person: Wilma Swango  
Title: Business Manager  
Phone Number: 812-427-2673  
Expected Completion Date: February 28, 2013

The Business Office of Switzerland County School Corporation will receive purchase requisitions from employees for all expenses except utilities, payroll deductions, employee benefits, and contracted services. Once a purchase req is received, a purchase order will be created. All invoices must have a signed purchase order indicating that the items or services have been received before payment is issued. For services and purchases that are over an extended period of time, a blanket purchase order will be created. Invoices for blanket purchase orders will be signed by an employee indicating items or services have been received and approval to pay. For those invoices which do not require a purchase order, an employee shall sign the invoice indicating the items or services have been received.

Signed Wilma Swango Dated 2/5/2013

SWITZERLAND COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2013, with Michael L. Jones, Superintendent of Schools; Wilma S. Swango, Treasurer; Nancy Peters, President of the School Board; and Cindy Haskell, Deputy Treasurer.