

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SMITH-GREEN COMMUNITY SCHOOLS
WHITLEY COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
03/14/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jodi L. Royer	01-01-11 to 12-31-13
Superintendent of Schools	Steve W. Darnell (Vacant) Ralph Bailey (Interim) Galen D. Mast	07-01-11 to 06-29-12 06-30-12 to 07-01-12 07-02-12 to 01-20-13 01-21-13 to 06-30-13
President of the School Board	Tanya C. Young Cathy L. Petrie Nicholas B. Uecker	01-01-11 to 12-31-11 01-01-12 to 12-31-13 01-01-14 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SMITH-GREEN COMMUNITY SCHOOLS, WHITLEY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Smith-Green Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

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, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2014, 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* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information


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 records 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 and Schedule of Leases and Debt, 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.

Other Information

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.


Paul D. Joyce, CPA
State Examiner

January 23, 2014



INDEPENDENT AUDITOR'S 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 SMITH-GREEN COMMUNITY SCHOOLS, WHITLEY COUNTY, INDIANA

We have audited, 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, the financial statement of the Smith-Green Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated January 23, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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. A significant deficiency is a deficiency or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

INDEPENDENT AUDITOR'S 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)


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*.

Smith-Green Community Schools' Response to Findings

The School Corporation's response to our audit is described in the accompanying Official Response. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 23, 2014

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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.

SMITH-GREEN COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ 1,461,059	\$ 7,699,798	\$ 7,988,483	\$ (16,518)	\$ 1,155,856	\$ 7,532,127	\$ 7,508,223	\$ (58,837)	\$ 1,120,923	
Debt Service	511,354	694,706	889,144	(11,888)	305,028	739,805	744,745	(4,829)	295,259	
Retirement/Severance Bond Debt Service	162,033	183,934	262,978	-	82,989	273,032	262,425	-	93,596	
Capital Projects	382,426	1,079,156	1,109,878	(38,797)	312,907	899,248	1,132,051	-	80,104	
School Transportation	204,526	553,553	623,926	26,910	161,063	476,703	616,275	23,135	44,626	
School Bus Replacement	268,690	145,197	250,657	(97,199)	66,031	97,871	821	-	163,081	
Rainy Day	256,484	-	-	200,000	456,484	-	-	-	456,484	
Retirement/Severance Bond	326,435	-	117,390	-	209,045	-	52,919	-	156,126	
Post-Retirement/Severance Future Benefits	-	-	6,761	60,000	53,239	-	101,269	50,000	1,970	
School Lunch	245,233	477,517	442,726	-	280,024	445,815	476,497	-	249,342	
Textbook Rental	90,311	163,282	141,460	3,402	115,535	113,569	156,792	4,829	77,141	
Levy Excess	51,308	16,755	-	(51,308)	16,755	6,380	-	(23,135)	-	
Educational License Plates	1,940	432	500	-	1,872	356	1,000	-	1,228	
SAFE School Haven	(4,397)	10,500	6,091	(12)	-	-	-	-	-	
SAFE School Haven - SRO	-	-	-	-	-	21,065	24,500	-	(3,435)	
Early Intervention Grant 2011-2012	-	12,672	12,672	-	-	-	-	-	-	
Early Intervention Grant 2009-2010	51	-	-	(51)	-	-	-	-	-	
DEKKO Kindergarten RFP	2,970	-	-	(2,970)	-	-	-	-	-	
Hands Foundation Grant	107	450	555	-	2	-	-	-	2	
Hands Grant - Zollinger	480	-	413	-	67	-	-	-	67	
Hands Grant - Lough	-	492	492	-	-	-	-	-	-	
Whitley County Community Foundation	-	20,000	11,774	-	8,226	-	4,090	-	4,136	
DEKKO Arts Partnership Grant	1,954	-	-	-	1,954	-	-	-	1,954	
DEKKO Teaching Excellence	880	-	-	(880)	-	-	-	-	-	
DEKKO Guided Reading Program	356	-	-	(356)	-	-	-	-	-	
Industrial Technology	155	-	-	(155)	-	-	-	-	-	
Destination Imagination	1	-	-	(1)	-	-	-	-	-	
CES PTO Script Donation	375	-	-	-	375	-	269	-	106	
CES Poster Machine	2,000	-	-	-	2,000	-	-	-	2,000	
CES PTO Classroom Donations	1,600	4,803	1,303	-	5,100	648	2,276	-	3,472	
CES Minds in Motion	-	-	-	-	-	378	378	-	-	
Music Instruction	370	-	350	-	20	-	-	-	20	
Elementary Bird Sanctuary	32	-	-	(32)	-	-	-	-	-	
Target Field Trip Grant	5	-	-	(5)	-	-	-	-	-	
Hands Grant - Kinder Literacy	-	-	-	-	-	2,000	-	-	2,000	
Project Lead the Way	18,885	-	18,846	-	39	-	-	-	39	
Hands Grant - 5th Grade Literacy	-	-	-	-	-	1,000	813	-	187	
Scholarship/Metzger	65	-	-	(65)	-	-	-	-	-	
School Board Scholarship	500	500	500	-	500	500	1,000	-	-	
Health Clinic	500	-	416	(84)	-	-	-	-	-	
Construction Fund - 2012	-	78,402	78,402	-	-	-	-	-	-	
Info Literacy Room	280	-	-	(280)	-	-	-	-	-	
Student Resource Officer	-	-	-	-	-	5,064	5,064	-	-	
Archery	1,148	-	7	-	1,141	-	467	-	674	
Talent Initiative - Professional Development	-	14,500	12,131	-	2,369	-	1,538	-	831	
Study a Country	430	-	361	-	69	250	260	-	59	
ARC Foundation Grant	60	-	-	(60)	-	-	-	-	-	

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

SMITH-GREEN COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Wal-Mart Foundation Grant	32	-	-	(32)	-	-	-	-	-
Hands - Healthy Choices	(7)	15	-	(8)	-	-	-	-	-
SGCS In-Out	-	-	-	-	-	3,892	3,892	-	-
Education Technology	(18,306)	35,478	17,172	-	-	-	-	-	-
Extra-Curricular Activities	601	-	-	-	601	-	-	-	601
Non-English Speaking Programs P.L. 273-1999	39	-	-	(39)	-	-	-	-	-
School Technology	9,180	8,220	11,658	-	5,742	8,841	9,100	-	5,483
Classroom Innovation - Technology	(8,026)	-	(8,026)	-	-	-	-	-	-
Indiana School Academic Improvement Program (ISAIP)	164	-	-	(164)	-	-	-	-	-
High Ability 2011-2012	-	29,105	28,715	-	390	-	390	-	-
High Ability 2012-2013	-	-	-	-	-	28,664	27,431	-	1,233
Senator David Ford Technology	-	199,424	270,953	-	(71,529)	69,493	17,954	-	(19,990)
Excess PTRC Distributions	31,118	-	-	(31,118)	-	-	-	-	-
Title I - 2010-2011	(14,104)	35,592	21,488	-	-	-	-	-	-
Title I - 2011-2012	-	86,914	94,009	-	(7,095)	12,238	13,780	8,637	-
Title I - 2012-2013	-	-	-	-	-	84,946	95,132	200	(9,986)
Title I - 07-08	10,688	-	-	(10,688)	-	-	-	-	-
Title I - 2007-2008	2,648	-	-	(2,648)	-	-	-	-	-
Title I - 2008-2009	9,902	-	-	(9,902)	-	-	-	-	-
Title I - 2009-2010	(2,151)	-	-	2,151	-	-	-	-	-
Innovative Education Program Strategies, Title V	2,634	-	-	(2,634)	-	-	-	-	-
IDEA 2011	-	198,303	227,995	-	(29,692)	66,303	36,921	-	(310)
IDEA 2012-2013	-	-	21	-	(21)	174,741	241,139	-	(66,419)
IDEA, Part B 2010-2011	(51,797)	120,986	74,350	3,776	(1,385)	1,385	-	-	-
IDEA, Part B 2009-2010	(8,306)	-	-	8,306	-	-	-	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	24,490	-	-	(24,490)	-	-	-	-	-
Special Education Improvement Grant	-	-	3,796	-	(3,796)	70,000	66,204	-	-
IDEA 2007-2008	14,425	-	-	(14,425)	-	-	-	-	-
IDEA, Part B 2008-2009	971	-	-	(971)	-	-	-	-	-
IDEA Grant Carry Over	(7,582)	-	-	7,582	-	-	-	-	-
IDEA 2007-2008	7,598	-	-	(7,598)	-	-	-	-	-
IDEA 2008-2009	(1,623)	-	-	1,623	-	-	-	-	-
IDEA 2009-2010	(802)	-	-	802	-	-	-	-	-
Drug Free Schools Title IV 08-09	636	-	-	(636)	-	-	-	-	-
Drug Free Schools Title IV 2009-2010	1,441	547	-	(1,988)	-	-	-	-	-
Title II, Part A 05-06	(11,532)	-	-	11,532	-	-	-	-	-
Title II, Part D 05-06	1,790	-	-	(1,790)	-	-	-	-	-
Improving Teaching Quality, Title II, Part A 10-11	-	-	140	140	-	-	-	-	-
Improving Teaching Quality, Title II, Part A 2011-2012	-	32,207	32,207	-	-	-	-	-	-
Improving Teaching Quality, Title II, Part A 06-07	-	-	-	-	-	22,630	25,949	-	(3,319)
Title I - Stimulus	(3,568)	-	-	3,568	-	-	-	-	-
Special Education - Part B - Stimulus	(7,848)	13,272	5,424	-	-	-	-	-	-
Special Education - Part B - Preschool - Stimulus	(1,300)	2,702	1,402	-	-	-	-	-	-
Education Jobs	-	3,642	3,642	-	-	5,109	5,109	-	-
Agency Clearing	3,483	1,970,295	1,972,655	-	1,123	2,001,776	2,002,078	-	821
Totals	\$ 3,975,494	\$ 13,893,351	\$ 14,735,817	\$ -	\$ 3,133,028	\$ 13,165,829	\$ 13,638,751	\$ -	\$ 2,660,106

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

SMITH-GREEN COMMUNITY SCHOOLS
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 Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

SMITH-GREEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

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

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

E. Disbursements

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

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

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

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

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

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

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

SMITH-GREEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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:

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.

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 or highway use taxes are received 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.

SMITH-GREEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

SMITH-GREEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of an error correction.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of reimbursement type grants where expenditures are made and then reimbursement is requested and received later.

SMITH-GREEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Restatements

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2011	New Fund	Balance as of July 1, 2011
Agency Clearing	\$ -	\$ 3,483	\$ 3,483

Note 10. Holding Corporation

The School Corporation has entered into a capital lease with Smith-Green Multi-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 fiscal years 2011-2012 and 2012-2013 totaled \$424,000 and \$452,500, respectively.

Note 11. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: 100 percent of health insurance premiums for four retired employees. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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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.

SMITH-GREEN COMMUNITY SCHOOLS
 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 1,461,059	\$ 511,354	\$ 162,033	\$ 382,426	\$ 204,526	\$ 268,690	\$ 256,484	\$ 326,435	\$ -	\$ 245,233
Receipts:										
Local sources	75,615	694,706	183,934	902,686	466,992	145,197	-	-	-	282,425
Intermediate sources	8	-	-	-	-	-	-	-	-	-
State sources	7,621,128	-	-	-	-	-	-	-	-	7,782
Federal sources	-	-	-	-	-	-	-	-	-	187,136
Temporary loans	-	-	-	176,470	86,561	-	-	-	-	-
Other	3,047	-	-	-	-	-	-	-	-	174
Total receipts	7,699,798	694,706	183,934	1,079,156	553,553	145,197	-	-	-	477,517
Disbursements:										
Current:										
Instruction	5,127,565	-	-	-	-	-	-	-	-	-
Support services	2,668,556	-	-	606,683	486,722	250,657	-	117,390	6,761	846
Noninstructional services	192,362	-	-	-	-	-	-	-	-	441,880
Facilities acquisition and construction	-	-	-	213,203	-	-	-	-	-	-
Debt services	-	889,144	262,978	289,992	137,204	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,988,483	889,144	262,978	1,109,878	623,926	250,657	-	117,390	6,761	442,726
Excess (deficiency) of receipts over disbursements	(288,685)	(194,438)	(79,044)	(30,722)	(70,373)	(105,460)	-	(117,390)	(6,761)	34,791
Other financing sources (uses):										
Transfers in	82,963	11,514	-	11,203	56,910	2,801	200,000	-	60,000	-
Transfers out	(99,481)	(23,402)	-	(50,000)	(30,000)	(100,000)	-	-	-	-
Total other financing sources (uses)	(16,518)	(11,888)	-	(38,797)	26,910	(97,199)	200,000	-	60,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(305,203)	(206,326)	(79,044)	(69,519)	(43,463)	(202,659)	200,000	(117,390)	53,239	34,791
Cash and investments - ending	\$ 1,155,856	\$ 305,028	\$ 82,989	\$ 312,907	\$ 161,063	\$ 66,031	\$ 456,484	\$ 209,045	\$ 53,239	\$ 280,024

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven - SRO	Early Intervention Grant 2011-2012	Early Intervention Grant 2009-2010	DEKKO Kindergarten RFP	Hands Foundation Grant	Hands Grant - Zollinger
Cash and investments - beginning	\$ 90,311	\$ 51,308	\$ 1,940	\$ (4,397)	\$ -	\$ -	\$ 51	\$ 2,970	\$ 107	\$ 480
Receipts:										
Local sources	130,931	16,755	-	-	-	-	-	-	450	-
Intermediate sources	-	-	432	-	-	-	-	-	-	-
State sources	32,351	-	-	10,500	-	12,672	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>163,282</u>	<u>16,755</u>	<u>432</u>	<u>10,500</u>	<u>-</u>	<u>12,672</u>	<u>-</u>	<u>-</u>	<u>450</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	-	-	-	-	-	12,672	-	-	450	413
Support services	141,460	-	500	6,091	-	-	-	-	105	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>141,460</u>	<u>-</u>	<u>500</u>	<u>6,091</u>	<u>-</u>	<u>12,672</u>	<u>-</u>	<u>-</u>	<u>555</u>	<u>413</u>
Excess (deficiency) of receipts over disbursements	<u>21,822</u>	<u>16,755</u>	<u>(68)</u>	<u>4,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105)</u>	<u>(413)</u>
Other financing sources (uses):										
Transfers in	3,402	-	-	-	-	-	-	-	-	-
Transfers out	-	(51,308)	-	(12)	-	-	(51)	(2,970)	-	-
Total other financing sources (uses)	<u>3,402</u>	<u>(51,308)</u>	<u>-</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>(2,970)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>25,224</u>	<u>(34,553)</u>	<u>(68)</u>	<u>4,397</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>(2,970)</u>	<u>(105)</u>	<u>(413)</u>
Cash and investments - ending	<u>\$ 115,535</u>	<u>\$ 16,755</u>	<u>\$ 1,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 67</u>

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Hands Grant - Lough	Whitley County Community Foundation	DEKKO Arts Partnership Grant	DEKKO Teaching Excellence	DEKKO Guided Reading Program	Industrial Technology	Destination Imagination	CES PTO Script Donation	CES Poster Machine	CES PTO Classroom Donations
Cash and investments - beginning	\$ -	\$ -	\$ 1,954	\$ 880	\$ 356	\$ 155	\$ 1	\$ 375	\$ 2,000	\$ 1,600
Receipts:										
Local sources	492	20,000	-	-	-	-	-	-	-	4,803
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	492	20,000	-	-	-	-	-	-	-	4,803
Disbursements:										
Current:										
Instruction	492	11,774	-	-	-	-	-	-	-	1,303
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	492	11,774	-	-	-	-	-	-	-	1,303
Excess (deficiency) of receipts over disbursements	-	8,226	-	-	-	-	-	-	-	3,500
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(880)	(356)	(155)	(1)	-	-	-
Total other financing sources (uses)	-	-	-	(880)	(356)	(155)	(1)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,226	-	(880)	(356)	(155)	(1)	-	-	3,500
Cash and investments - ending	\$ -	\$ 8,226	\$ 1,954	\$ -	\$ -	\$ -	\$ -	\$ 375	\$ 2,000	\$ 5,100

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	CES Minds in Motion	Music Instruction	Elementary Bird Sanctuary	Target Field Trip Grant	Hands Grant - Kinder Literacy	Project Lead the Way	Hands Grant - 5th Grade Literacy	Scholarship/ Metzger	School Board Scholarship
Cash and investments - beginning	\$ -	\$ 370	\$ 32	\$ 5	\$ -	\$ 18,885	\$ -	\$ 65	\$ 500
Receipts:									
Local sources	-	-	-	-	-	-	-	-	500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	500
Disbursements:									
Current:									
Instruction	-	350	-	-	-	18,846	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	500
Total disbursements	-	350	-	-	-	18,846	-	-	500
Excess (deficiency) of receipts over disbursements	-	(350)	-	-	-	(18,846)	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(32)	(5)	-	-	-	(65)	-
Total other financing sources (uses)	-	-	(32)	(5)	-	-	-	(65)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(350)	(32)	(5)	-	(18,846)	-	(65)	-
Cash and investments - ending	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ 39	\$ -	\$ -	\$ 500

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Health Clinic	Construction Fund - 2012	Info Literacy Room	Student Resource Officer	Archery	Talent Initiative - Professional Development	Study a Country	ARC Foundation Grant	Wal-Mart Foundation Grant
Cash and investments - beginning	\$ 500	\$ -	\$ 280	\$ -	\$ 1,148	\$ -	\$ 430	\$ 60	\$ 32
Receipts:									
Local sources	-	78,402	-	-	-	14,500	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	78,402	-	-	-	14,500	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	7	-	361	-	-
Support services	416	-	-	-	-	12,131	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	78,402	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	416	78,402	-	-	7	12,131	361	-	-
Excess (deficiency) of receipts over disbursements	(416)	-	-	-	(7)	2,369	(361)	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(84)	-	(280)	-	-	-	-	(60)	(32)
Total other financing sources (uses)	(84)	-	(280)	-	-	-	-	(60)	(32)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(500)	-	(280)	-	(7)	2,369	(361)	(60)	(32)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 1,141	\$ 2,369	\$ 69	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Hands - Healthy Choices	SGCS In-Out	Education Technology	Extra-Curricular Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Classroom Innovation - Technology	Indiana School Academic Improvement Program (ISAIP)	High Ability 2011-2012
Cash and investments - beginning	\$ (7)	\$ -	\$ (18,306)	\$ 601	\$ 39	\$ 9,180	\$ (8,026)	\$ 164	\$ -
Receipts:									
Local sources	15	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	35,478	-	-	8,220	-	-	29,105
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	15	-	35,478	-	-	8,220	-	-	29,105
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	28,715
Support services	-	-	17,172	-	-	11,658	(8,026)	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	17,172	-	-	11,658	(8,026)	-	28,715
Excess (deficiency) of receipts over disbursements	15	-	18,306	-	-	(3,438)	8,026	-	390
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(8)	-	-	-	(39)	-	-	(164)	-
Total other financing sources (uses)	(8)	-	-	-	(39)	-	-	(164)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7	-	18,306	-	(39)	(3,438)	8,026	(164)	390
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 601	\$ -	\$ 5,742	\$ -	\$ -	\$ 390

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	High Ability 2012-2013	Senator David Ford Technology	Excess PTRC Distributions	Title I - 2010-2011	Title I - 2011-2012	Title I - 2012-2013	Title I - 07-08	Title I - 2007-2008	Title I - 2008-2009
Cash and investments - beginning	\$ -	\$ -	\$ 31,118	\$ (14,104)	\$ -	\$ -	\$ 10,688	\$ 2,648	\$ 9,902
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	199,424	-	-	-	-	-	-	-
Federal sources	-	-	-	35,592	86,914	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	199,424	-	35,592	86,914	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	18,739	80,181	-	-	-	-
Support services	-	270,953	-	2,749	13,828	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	270,953	-	21,488	94,009	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(71,529)	-	14,104	(7,095)	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(31,118)	-	-	-	(10,688)	(2,648)	(9,902)
Total other financing sources (uses)	-	-	(31,118)	-	-	-	(10,688)	(2,648)	(9,902)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(71,529)	(31,118)	14,104	(7,095)	-	(10,688)	(2,648)	(9,902)
Cash and investments - ending	\$ -	\$ (71,529)	\$ -	\$ -	\$ (7,095)	\$ -	\$ -	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 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 - 2009-2010	Innovative Education Program Strategies, Title V	IDEA 2011	IDEA 2012-2013	IDEA, Part B 2010-2011	IDEA, Part B 2009-2010	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Grant	IDEA 2007-2008
Cash and investments - beginning	\$ (2,151)	\$ 2,634	\$ -	\$ -	\$ (51,797)	\$ (8,306)	\$ 24,490	\$ -	\$ 14,425
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	198,303	-	120,986	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	198,303	-	120,986	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	140,662	21	2,893	-	-	3,796	-
Support services	-	-	87,333	-	71,457	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	227,995	21	74,350	-	-	3,796	-
Excess (deficiency) of receipts over disbursements	-	-	(29,692)	(21)	46,636	-	-	(3,796)	-
Other financing sources (uses):									
Transfers in	2,151	-	-	-	3,776	8,306	-	-	-
Transfers out	-	(2,634)	-	-	-	-	(24,490)	-	(14,425)
Total other financing sources (uses)	2,151	(2,634)	-	-	3,776	8,306	(24,490)	-	(14,425)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,151	(2,634)	(29,692)	(21)	50,412	8,306	(24,490)	(3,796)	(14,425)
Cash and investments - ending	\$ -	\$ -	\$ (29,692)	\$ (21)	\$ (1,385)	\$ -	\$ -	\$ (3,796)	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	IDEA, Part B 2008-2009	IDEA Grant Carry Over	IDEA 2007-2008	IDEA 2008-2009	IDEA 2009-2010	Drug Free Schools Title IV 08-09	Drug Free Schools Title IV 2009-2010	Title II Part A 05-06	Title II Part D 05-06
Cash and investments - beginning	\$ 971	\$ (7,582)	\$ 7,598	\$ (1,623)	\$ (802)	\$ 636	\$ 1,441	\$ (11,532)	\$ 1,790
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	547	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	547	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	547	-	-
Other financing sources (uses):									
Transfers in	-	7,582	-	1,623	802	-	-	11,532	-
Transfers out	(971)	-	(7,598)	-	-	(636)	(1,988)	-	(1,790)
Total other financing sources (uses)	(971)	7,582	(7,598)	1,623	802	(636)	(1,988)	11,532	(1,790)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(971)	7,582	(7,598)	1,623	802	(636)	(1,441)	11,532	(1,790)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Improving Teaching Quality, Title II, Part A 10-11	Improving Teaching Quality, Title II, Part A 2011-2012	Improving Teaching Quality, Title II, Part A 06-07	Title I - Stimulus	Special Education - Part B - Stimulus	Special Education - Part B - Preschool - Stimulus	Education Jobs	Agency Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (3,568)	\$ (7,848)	\$ (1,300)	\$ -	\$ 3,483	\$ 3,975,494
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,018,403
Intermediate sources	-	-	-	-	-	-	-	-	440
State sources	-	-	-	-	-	-	-	-	7,956,660
Federal sources	-	32,207	-	-	13,272	2,702	3,642	-	681,301
Temporary loans	-	-	-	-	-	-	-	-	263,031
Other	-	-	-	-	-	-	-	1,970,295	1,973,516
Total receipts	-	32,207	-	-	13,272	2,702	3,642	1,970,295	13,893,351
Disbursements:									
Current:									
Instruction	-	32,207	-	-	4,515	1,402	3,642	-	5,491,006
Support services	140	-	-	-	909	-	-	-	4,766,491
Noninstructional services	-	-	-	-	-	-	-	-	634,242
Facilities acquisition and construction	-	-	-	-	-	-	-	-	291,605
Debt services	-	-	-	-	-	-	-	-	1,579,318
Nonprogrammed charges	-	-	-	-	-	-	-	1,972,655	1,973,155
Total disbursements	140	32,207	-	-	5,424	1,402	3,642	1,972,655	14,735,817
Excess (deficiency) of receipts over disbursements	(140)	-	-	-	7,848	1,300	-	(2,360)	(842,466)
Other financing sources (uses):									
Transfers in	140	-	-	3,568	-	-	-	-	468,273
Transfers out	-	-	-	-	-	-	-	-	(468,273)
Total other financing sources (uses)	140	-	-	3,568	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	3,568	7,848	1,300	-	(2,360)	(842,466)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123	\$ 3,133,028

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 1,155,856	\$ 305,028	\$ 82,989	\$ 312,907	\$ 161,063	\$ 66,031	\$ 456,484	\$ 209,045	\$ 53,239	\$ 280,024
Receipts:										
Local sources	127,180	739,805	273,032	899,248	476,703	97,871	-	-	-	269,757
Intermediate sources	5	-	-	-	-	-	-	-	-	-
State sources	7,402,922	-	-	-	-	-	-	-	-	7,933
Federal sources	-	-	-	-	-	-	-	-	-	167,951
Other	2,020	-	-	-	-	-	-	-	-	174
Total receipts	7,532,127	739,805	273,032	899,248	476,703	97,871	-	-	-	445,815
Disbursements:										
Current:										
Instruction	4,934,487	-	-	-	-	-	-	-	-	-
Support services	2,393,209	-	-	625,534	529,714	821	-	52,919	101,269	4,199
Noninstructional services	180,527	-	-	-	-	-	-	-	-	472,298
Facilities acquisition and construction	-	-	-	330,047	-	-	-	-	-	-
Debt services	-	744,745	262,425	176,470	86,561	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,508,223	744,745	262,425	1,132,051	616,275	821	-	52,919	101,269	476,497
Excess (deficiency) of receipts over disbursements	23,904	(4,940)	10,607	(232,803)	(139,572)	97,050	-	(52,919)	(101,269)	(30,682)
Other financing sources (uses):										
Transfers in	163	-	-	-	23,135	-	-	-	50,000	-
Transfers out	(59,000)	(4,829)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(58,837)	(4,829)	-	-	23,135	-	-	-	50,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,933)	(9,769)	10,607	(232,803)	(116,437)	97,050	-	(52,919)	(51,269)	(30,682)
Cash and investments - ending	\$ 1,120,923	\$ 295,259	\$ 93,596	\$ 80,104	\$ 44,626	\$ 163,081	\$ 456,484	\$ 156,126	\$ 1,970	\$ 249,342

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven - SRO	Early Intervention Grant 2011-2012	Early Intervention Grant 2009-2010	DEKKO Kindergarten RFP	Hands Foundation Grant	Hands Grant - Zollinger
Cash and investments - beginning	\$ 115,535	\$ 16,755	\$ 1,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 67
Receipts:										
Local sources	87,751	6,380	-	-	-	-	-	-	-	-
Intermediate sources	-	-	356	-	-	-	-	-	-	-
State sources	25,818	-	-	-	21,065	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	113,569	6,380	356	-	21,065	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	156,792	-	1,000	-	24,500	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	156,792	-	1,000	-	24,500	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(43,223)	6,380	(644)	-	(3,435)	-	-	-	-	-
Other financing sources (uses):										
Transfers in	4,829	-	-	-	-	-	-	-	-	-
Transfers out	-	(23,135)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,829	(23,135)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(38,394)	(16,755)	(644)	-	(3,435)	-	-	-	-	-
Cash and investments - ending	\$ 77,141	\$ -	\$ 1,228	\$ -	\$ (3,435)	\$ -	\$ -	\$ -	\$ 2	\$ 67

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Hands Grant - Lough	Whitley County Community Foundation	DEKKO Arts Partnership Grant	DEKKO Teaching Excellence	DEKKO Guided Reading Program	Industrial Technology	Destination Imagination	CES PTO Script Donation	CES Poster Machine	CES PTO Classroom Donations
Cash and investments - beginning	\$ -	\$ 8,226	\$ 1,954	\$ -	\$ -	\$ -	\$ -	\$ 375	\$ 2,000	\$ 5,100
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	648
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	648
Disbursements:										
Current:										
Instruction	-	4,090	-	-	-	-	-	269	-	2,276
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,090	-	-	-	-	-	269	-	2,276
Excess (deficiency) of receipts over disbursements	-	(4,090)	-	-	-	-	-	(269)	-	(1,628)
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	-	(4,090)	-	-	-	-	-	(269)	-	(1,628)
Cash and investments - ending	\$ -	\$ 4,136	\$ 1,954	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ 2,000	\$ 3,472

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	CES Minds in Motion	Music Instruction	Elementary Bird Sanctuary	Target Field Trip Grant	Hands Grant - Kinder Literacy	Project Lead the Way	Hands Grant - 5th Grade Literacy	Scholarship/ Metzger	School Board Scholarship
Cash and investments - beginning	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ 39	\$ -	\$ -	\$ 500
Receipts:									
Local sources	378	-	-	-	2,000	-	1,000	-	500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	378	-	-	-	2,000	-	1,000	-	500
Disbursements:									
Current:									
Instruction	378	-	-	-	-	-	813	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,000
Total disbursements	378	-	-	-	-	-	813	-	1,000
Excess (deficiency) of receipts over disbursements	-	-	-	-	2,000	-	187	-	(500)
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	-	-	-	-	2,000	-	187	-	(500)
Cash and investments - ending	\$ -	\$ 20	\$ -	\$ -	\$ 2,000	\$ 39	\$ 187	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Health Clinic	Construction Fund - 2012	Info Literacy Room	Student Resource Officer	Archery	Talent Initiative - Professional Development	Study a Country	ARC Foundation Grant	Wal-Mart Foundation Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,141	\$ 2,369	\$ 69	\$ -	\$ -
Receipts:									
Local sources	-	-	-	5,064	-	-	250	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	5,064	-	-	250	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	467	-	260	-	-
Support services	-	-	-	5,064	-	1,538	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	5,064	467	1,538	260	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(467)	(1,538)	(10)	-	-
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	-	-	-	-	(467)	(1,538)	(10)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 674	\$ 831	\$ 59	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Hands - Healthy Choices	SGCS In-Out	Education Technology	Extra-Curricular Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Classroom Innovation - Technology	Indiana School Academic Improvement Program (ISAIP)	High Ability 2011-2012
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 601	\$ -	\$ 5,742	\$ -	\$ -	\$ 390
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	8,841	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	3,892	-	-	-	-	-	-	-
Total receipts	-	3,892	-	-	-	8,841	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	390
Support services	-	3,892	-	-	-	9,100	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,892	-	-	-	9,100	-	-	390
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(259)	-	-	(390)
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	-	-	-	-	-	(259)	-	-	(390)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 601	\$ -	\$ 5,483	\$ -	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	High Ability 2012-2013	Senator David Ford Technology	Excess PTRC Distributions	Title I - 2010-2011	Title I - 2011-2012	Title I - 2012-2013	Title I - 07-08	Title I - 2007-2008	Title I - 2008-2009
Cash and investments - beginning	\$ -	\$ (71,529)	\$ -	\$ -	\$ (7,095)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	198	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	28,664	69,493	-	-	-	-	-	-	-
Federal sources	-	-	-	-	12,238	84,748	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	28,664	69,493	-	-	12,238	84,946	-	-	-
Disbursements:									
Current:									
Instruction	27,431	880	-	-	5,650	80,672	-	-	-
Support services	-	17,074	-	-	8,130	14,460	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	27,431	17,954	-	-	13,780	95,132	-	-	-
Excess (deficiency) of receipts over disbursements	1,233	51,539	-	-	(1,542)	(10,186)	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	8,837	200	-	-	-
Transfers out	-	-	-	-	(200)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	8,637	200	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,233	51,539	-	-	7,095	(9,986)	-	-	-
Cash and investments - ending	\$ 1,233	\$ (19,990)	\$ -	\$ -	\$ -	\$ (9,986)	\$ -	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I - 2009-2010	Innovative Education Program Strategies, Title V	IDEA 2011	IDEA 2012-2013	IDEA, Part B 2010-2011	IDEA, Part B 2009-2010	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Grant	IDEA 2007-2008
Cash and investments - beginning	\$ -	\$ -	\$ (29,692)	\$ (21)	\$ (1,385)	\$ -	\$ -	\$ (3,796)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	66,303	174,741	1,385	-	-	70,000	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	66,303	174,741	1,385	-	-	70,000	-
Disbursements:									
Current:									
Instruction	-	-	4,092	116,980	-	-	-	66,204	-
Support services	-	-	32,829	124,159	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	36,921	241,139	-	-	-	66,204	-
Excess (deficiency) of receipts over disbursements	-	-	29,382	(66,398)	1,385	-	-	3,796	-
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	-	-	29,382	(66,398)	1,385	-	-	3,796	-
Cash and investments - ending	\$ -	\$ -	\$ (310)	\$ (66,419)	\$ -	\$ -	\$ -	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	IDEA, Part B 2008-2009	IDEA Grant Carry Over	IDEA 2007-2008	IDEA 2008-2009	IDEA 2009-2010	Drug Free Schools Title IV 08-09	Drug Free Schools Title IV 2009-2010	Title II Part A 05-06	Title II Part D 05-06
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SMITH-GREEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Improving Teaching Quality, Title II, Part A 10-11	Improving Teaching Quality, Title II, Part A 2011-2012	Improving Teaching Quality, Title II, Part A 06-07	Title I - Stimulus	Special Education - Part B - Stimulus	Special Education - Part B - Preschool - Stimulus	Education Jobs	Agency Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123	\$ 3,133,028
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,987,765
Intermediate sources	-	-	-	-	-	-	-	-	361
State sources	-	-	-	-	-	-	-	-	7,564,736
Federal sources	-	-	22,630	-	-	-	5,109	-	605,105
Other	-	-	-	-	-	-	-	2,001,776	2,007,862
Total receipts	-	-	22,630	-	-	-	5,109	2,001,776	13,165,829
Disbursements:									
Current:									
Instruction	-	-	25,949	-	-	-	5,109	-	5,276,397
Support services	-	-	-	-	-	-	-	-	4,106,203
Noninstructional services	-	-	-	-	-	-	-	-	652,825
Facilities acquisition and construction	-	-	-	-	-	-	-	-	330,047
Debt services	-	-	-	-	-	-	-	-	1,270,201
Nonprogrammed charges	-	-	-	-	-	-	-	2,002,078	2,003,078
Total disbursements	-	-	25,949	-	-	-	5,109	2,002,078	13,638,751
Excess (deficiency) of receipts over disbursements	-	-	(3,319)	-	-	-	-	(302)	(472,922)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	87,164
Transfers out	-	-	-	-	-	-	-	-	(87,164)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(3,319)	-	-	-	-	(302)	(472,922)
Cash and investments - ending	\$ -	\$ -	\$ (3,319)	\$ -	\$ -	\$ -	\$ -	\$ 821	\$ 2,660,106

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SMITH-GREEN COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Pension Bonds of 2003	Pension debt	\$ 125,000	\$ 129,340
Pension Bonds of 2006	Pension debt	475,000	136,698
Smith-Green Multi-School Building Corporation	School renovations	5,920,000	480,500
Computer lease	Computers	113,641	116,920
Common School Fund Loan 1996	School renovations	764,083	125,119
Common School Fund Loan 2002	School renovations	952,941	156,044
Common School Fund Loan 2011	Technology	94,203	24,434
Totals		<u>\$ 8,444,868</u>	<u>\$ 1,169,055</u>

SMITH-GREEN COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM)

The information presented to support enrollment figures on Form No. 30A, Report of Average Daily Membership (ADM) for State Support, was insufficient for the school years ending June 30, 2012, and June 30, 2013. The enrollment documents retained for the school years to support the enrollment counts taken in each September did not agree with the enrollment figures reported to the state. After further inquiry, School Corporation officials recreated records to explain the differences between the signed documents from the building principals and the documents submitted to the Indiana Department of Education. Records explaining why the enrollment documents were adjusted before reporting to the State should be available at the time of the audit.

Indiana Code 5-15-6-3(f), concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FINANCIAL ASSISTANCE FOR STUDENTS TEXTBOOK REIMBURSEMENTS

Smith-Green Community Schools reports to the Indiana Department of Education for financial assistance for student's textbook reimbursements. For the Fiscal Year 2011-2012, 416 students were reported as eligible students. The school lunch Verification Summary Report for Fiscal Year 2011-2012 reported 366 students eligible for free and reduced lunches. The free and reduced lunch students are the same students that qualify for textbook assistance. The number of eligible students reported for student textbook assistance is 50 more than what was reported for free and reduced lunches.

SMITH-GREEN COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ACCOUNTABLE ITEMS (CHURUBUSCO SCHOOLS)

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. We reviewed the documentation maintained of the money collected for sales of Churubusco High School spirit wear. Disbursements of \$18,356 were made during the audit period from athletic funds for spirit wear purchased, while only \$9,245 was received for sales of spirit wear. The remaining \$9,111 of spirit wear was not accounted for. Upon further inquiry, it was stated that spirit wear was distributed to faculty, staff, and others with no controls or accounting of the items that were distributed to these individuals without charge.

Controls over sales of accountable items were not sufficient to allow further analysis or conclusions related to these transactions.

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 Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE SMITH-GREEN COMMUNITY SCHOOLS, WHITLEY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Smith-Green Community Schools' (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, 2011 to June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The School Corporation's response to our audit is described in the accompanying Official Response. The School Corporation's response was not subjected to auditing procedures and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The School Corporation's response to our audit is described in the accompanying Official Response. The School Corporation's response was not subjected to auditing procedures and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 23, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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SMITH-GREEN COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 11-12	\$ 30,674	\$ -
			FY 12-13	-	21,620
Total - School Breakfast Program				<u>30,674</u>	<u>21,620</u>
National School Lunch Program	Indiana Department of Education	10.555	FY 11-12	189,496	-
			FY 12-13	-	186,438
Total - National School Lunch Program				<u>189,496</u>	<u>186,438</u>
Total - Child Nutrition Cluster				<u>220,170</u>	<u>208,058</u>
Total - Department of Agriculture				<u>220,170</u>	<u>208,058</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	11-8625	35,592	-
			12-8625	86,914	12,238
			13-8625	-	84,748
Total - Title I, Part A Cluster				<u>122,506</u>	<u>96,986</u>
Special Education Cluster (IDEA)					
Special Education - Grants to States	MSD of Southwest Allen County	84.027	14211-054-PN01	120,986	1,385
			14212-054-PN01	198,303	66,303
			14213-054-PN01	-	174,741
	Indiana Department of Education		A58-3-13DL-0128	-	70,000
Total - Special Education - Grants to States				<u>319,289</u>	<u>312,429</u>
ARRA - Special Education - Grants to States, Recovery Act	MSD of Southwest Allen County	84.391	33310-054-SN01	13,272	-
ARRA - Special Education - Preschool Grants, Recovery Act	MSD of Southwest Allen County	84.392	44410-054-SN01	2,702	-
Total - Special Education Cluster (IDEA)				<u>335,263</u>	<u>312,429</u>
Safe and Drug Free Schools and Communities - State Grants	Indiana Department of Education	84.186	09-8625	547	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FY 11-12	32,207	-
			FY 12-13	-	22,630
Total - Improving Teacher Quality State Grants				<u>32,207</u>	<u>22,630</u>
Education Jobs Fund	Indiana Department of Education	84.410	FY 11-12	3,642	5,109
Total - Department of Education				<u>494,165</u>	<u>437,154</u>
Total federal awards expended				<u>\$ 714,335</u>	<u>\$ 645,212</u>

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

SMITH-GREEN COMMUNITY SCHOOLS
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 Smith-Green Community Schools (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, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	For the Year Ended June 30, 2012	For the Year Ended June 30, 2013
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 4,602	\$ 4,168
National School Lunch Program	10.555	<u>28,431</u>	<u>35,938</u>
Totals for cluster		<u>\$ 33,033</u>	<u>\$ 40,106</u>

SMITH-GREEN COMMUNITY SCHOOLS
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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____
Child Nutrition Cluster
Special Education Cluster (IDEA)

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.

SMITH-GREEN COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2014, with Jodi L. Royer, Treasurer; Todd Fleetwood, Business Manager; and Galen D. Mast, Superintendent of Schools. The Official Response has been made a part of this report and may be found on page 55.

Smith-Green Community Schools

Superior Schools ... In a Supportive Community

222 West Tulley Street, Churubusco, Indiana 46723 • 260-693-2007 • 260-693-6434 • www.sgcs.k12.in.us

Indiana State Board of Accounts
302 W Washington St
4th Floor, Room E418
Indianapolis, IN 46204-2765

Official Response

To Whom It May Concern:

This letter serves as our official response to the results and comments listed on the audit for the years July 1, 2011 through June 30, 2013.

Average Daily Membership (ADM)

Steps have been taken to address ADM reporting by making sure the building principal signs all updated reports to the state along with documentation supporting the report.

Financial Assistance for Students Textbook Reimbursements

Steps have been taken to address the reporting of textbook reimbursements. We will continue to verify that reports are accurate and account for all students eligible.

Accountable Items (Churubusco Schools)

Steps were made to implement sales procedures and guidelines for the Churubusco Jr-Sr High School extracurricular accounts. Change in staffing has occurred since July 1, 2013. Since then, we have reports that account for all spirit wear.

Sincerely,



Galen Mast, Superintendent



Todd Fleetwood, Business Manager