

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

AUDIT REPORT

OF

HAMILTON HEIGHTS SCHOOL CORPORATION

HAMILTON COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

04/20/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pauleeta A. Browning	07-01-06 to 06-30-09
Superintendent of Schools	Anthony J. Cook	07-01-06 to 06-30-09
President of the School Board	Rex McKinney Michael S. House	07-01-06 to 06-30-08 07-01-08 to 06-30-09



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

TO: THE OFFICIALS OF THE HAMILTON HEIGHTS SCHOOL
CORPORATION, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Hamilton Heights School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated March 3, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

STATE BOARD OF ACCOUNTS

March 3, 2009



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

TO: THE OFFICIALS OF THE HAMILTON HEIGHTS SCHOOL
CORPORATION, HAMILTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Heights School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

March 3, 2009

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 8,992,146	\$ -	\$ 55,346	\$ (8,936,800)
Support services	7,522,081	664,709	222,455	(6,634,917)
Community services	317,027	-	-	(317,027)
Nonprogrammed charges	1,122,982	-	-	(1,122,982)
Debt service	<u>4,231,823</u>	<u>-</u>	<u>-</u>	<u>(4,231,823)</u>
Total governmental activities	<u>\$ 22,186,059</u>	<u>\$ 664,709</u>	<u>\$ 277,801</u>	<u>(21,243,549)</u>
General receipts:				
Property taxes				8,114,042
Other local sources				2,127,629
State aid				8,145,045
Bonds and loans				1,808,385
Grants and contributions not restricted to specific programs				585,859
Sale of property, adjustments, and refunds				685,467
Investment earnings				<u>244,428</u>
Total general receipts, interfund loans, transfers, and special items				<u>21,710,855</u>
Change in net assets				467,306
Net assets - beginning				<u>4,970,226</u>
Net assets - ending				<u>\$ 5,437,532</u>
<u>Assets</u>				
Cash and investments				\$ 4,826,424
Restricted assets:				
Cash and investments				<u>611,108</u>
Total assets				<u>\$ 5,437,532</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 611,108
Unrestricted				<u>4,826,424</u>
Total net assets				<u>\$ 5,437,532</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 8,729,532	\$ -	\$ 137,953	\$ (8,591,579)
Support services	8,238,757	740,723	271,309	(7,226,725)
Community services	253,788	-	-	(253,788)
Nonprogrammed charges	790,922	-	-	(790,922)
Debt service	<u>5,693,496</u>	<u>-</u>	<u>-</u>	<u>(5,693,496)</u>
Total government activities	<u>\$ 23,706,495</u>	<u>\$ 740,723</u>	<u>\$ 409,262</u>	<u>(22,556,510)</u>
General receipts:				
Property taxes				11,640,853
Other local sources				2,244,965
State aid				7,606,981
Bonds and loans				1,231,893
Grants and contributions not restricted to specific programs				404,957
Sale of property, adjustments, and refunds				294,240
Investment earnings				<u>321,110</u>
Total general receipts, interfund loans, transfers, and special items				<u>23,744,999</u>
Change in net assets				1,188,489
Net assets - beginning				<u>5,437,532</u>
Net assets - ending				<u>\$ 6,626,021</u>
<u>Assets</u>				
Cash and investments				\$ 6,215,582
Restricted assets:				
Cash and investments				<u>410,439</u>
Total assets				<u>\$ 6,626,021</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 410,439
Unrestricted				<u>6,215,582</u>
Total net assets				<u>\$ 6,626,021</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 4,349,426	\$ 909,763	\$ -	\$ 2,854,404	\$ 1,347,302	\$ 207,227	\$ 1,482,334	\$ 11,150,456
Intermediate sources	356	-	-	-	-	-	-	356
State sources	8,405,205	-	-	-	-	-	131,714	8,536,919
Federal sources	-	-	-	-	-	-	471,786	471,786
Bonds and loans	-	267,343	-	1,363,677	177,365	-	-	1,808,385
Sale of property, adjustments and refunds	99,763	96,106	-	-	473,897	-	15,701	685,467
Total receipts	12,854,750	1,273,212	-	4,218,081	1,998,564	207,227	2,101,535	22,653,369
Disbursements:								
Current:								
Instruction	8,672,293	-	-	-	-	-	319,853	8,992,146
Support services	2,959,342	1,310,221	-	-	1,626,763	199,128	1,383,289	7,478,743
Community services	317,027	-	-	-	-	-	-	317,027
Nonprogrammed charges	1,029,101	-	-	-	-	-	135,264	1,164,365
Debt services	-	371,460	-	3,615,322	-	-	245,041	4,231,823
Total disbursements	12,977,763	1,681,681	-	3,615,322	1,626,763	199,128	2,083,447	22,184,104
Excess (deficiency) of receipts over disbursements	(123,013)	(408,469)	-	602,759	371,801	8,099	18,088	469,265
Other financing sources (uses):								
Transfers in	-	88,573	53,095	-	-	53,095	-	194,763
Transfers out	-	-	(53,095)	(88,573)	-	(53,095)	-	(194,763)
Total other financing sources (uses)	-	88,573	-	(88,573)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(123,013)	(319,896)	-	514,186	371,801	8,099	18,088	469,265
Cash and investments - beginning	2,426,023	700,891	402,548	59,408	486,321	146,033	699,266	4,920,490
Cash and investments - ending	<u>\$ 2,303,010</u>	<u>\$ 380,995</u>	<u>\$ 402,548</u>	<u>\$ 573,594</u>	<u>\$ 858,122</u>	<u>\$ 154,132</u>	<u>\$ 717,354</u>	5,389,755
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								<u>47,777</u>
Net assets of governmental activities								<u>\$ 5,437,532</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 2,303,010	\$ 380,995	\$ 402,548	\$ -	\$ 858,122	\$ 154,132	\$ 679,840	\$ 4,778,647
Restricted assets:								
Cash and investments	-	-	-	573,594	-	-	37,514	611,108
Total cash and investment assets - ending	\$ 2,303,010	\$ 380,995	\$ 402,548	\$ 573,594	\$ 858,122	\$ 154,132	\$ 717,354	\$ 5,389,755
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 573,594	\$ -	\$ -	\$ 37,514	\$ 611,108
Unrestricted	2,303,010	380,995	402,548	-	858,122	154,132	679,840	4,778,647
Total cash and investment fund balance - ending	\$ 2,303,010	\$ 380,995	\$ 402,548	\$ 573,594	\$ 858,122	\$ 154,132	\$ 717,354	\$ 5,389,755

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

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

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 5,927,687	\$ 1,288,812	\$ -	\$ 4,011,539	\$ 1,870,507	\$ 289,295	\$ 1,559,454	\$ 14,947,294
Intermediate sources	356	-	-	-	-	-	-	356
State sources	7,709,958	-	-	-	-	-	186,763	7,896,721
Federal sources	4,142	-	-	-	-	-	520,338	524,480
Bonds and loans	-	348,915	-	882,978	-	-	-	1,231,893
Sale of property, adjustments and refunds	127,976	115,962	-	-	46,682	-	3,620	294,240
Total receipts	13,770,119	1,753,689	-	4,894,517	1,917,189	289,295	2,270,175	24,894,984
Disbursements:								
Current:								
Instruction	8,337,405	-	-	-	-	-	392,127	8,729,532
Support services	3,319,951	1,363,156	-	-	1,671,016	165,981	1,667,580	8,187,684
Community services	253,381	-	-	-	-	-	407	253,788
Nonprogrammed charges	832,322	-	-	-	-	-	-	832,322
Debt services	-	267,343	-	5,079,165	177,365	-	169,623	5,693,496
Total disbursements	12,743,059	1,630,499	-	5,079,165	1,848,381	165,981	2,229,737	23,696,822
Excess (deficiency) of receipts over disbursements	1,027,060	123,190	-	(184,648)	68,808	123,314	40,438	1,198,162
Other financing sources (uses):								
Transfers in	-	-	1,500,000	-	-	-	12,661	1,512,661
Transfers out	(1,500,000)	-	-	-	-	-	(12,661)	(1,512,661)
Total other financing sources (uses)	(1,500,000)	-	1,500,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(472,940)	123,190	1,500,000	(184,648)	68,808	123,314	40,438	1,198,162
Cash and investments - beginning	2,303,010	380,995	402,548	573,594	858,122	154,132	717,354	5,389,755
Cash and investments - ending	\$ 1,830,070	\$ 504,185	\$ 1,902,548	\$ 388,946	\$ 926,930	\$ 277,446	\$ 757,792	6,587,917
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								38,104
Net assets of governmental activities								<u>\$ 6,626,021</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,830,070	\$ 504,185	\$ 1,902,548	\$ -	\$ 926,930	\$ 277,446	\$ 736,299	\$ 6,177,478
Restricted assets:								
Cash and investments	-	-	-	388,946	-	-	21,493	410,439
Total cash and investment assets - ending	\$ 1,830,070	\$ 504,185	\$ 1,902,548	\$ 388,946	\$ 926,930	\$ 277,446	\$ 757,792	\$ 6,587,917
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 388,946	\$ -	\$ -	\$ 21,493	\$ 410,439
Unrestricted	1,830,070	504,185	1,902,548	-	926,930	277,446	736,299	6,177,478
Total cash and investment fund balance - ending	\$ 1,830,070	\$ 504,185	\$ 1,902,548	\$ 388,946	\$ 926,930	\$ 277,446	\$ 757,792	\$ 6,587,917

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Miscellaneous	\$ <u>41,383</u>
Operating disbursements:	
Insurance claims and expense	<u>43,342</u>
Deficiency of operating receipts over operating disbursements	(1,959)
Cash and investment fund balance - beginning	<u>49,736</u>
Cash and investment fund balance - ending	<u>\$ 47,777</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 47,777</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 47,777</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Miscellaneous	\$ 41,400
Operating disbursements:	
Insurance claims and expense	51,073
Deficiency of operating receipts over operating disbursements	(9,673)
Cash and investment fund balance - beginning	47,777
Cash and investment fund balance - ending	\$ 38,104
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 38,104
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 38,104

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Employer	\$ -	\$ 41,899
Investment earnings:		
Interest	<u>5,851</u>	<u>-</u>
Total additions	<u>5,851</u>	<u>41,899</u>
Deductions:		
Administrative and general	<u>-</u>	<u>18,952</u>
Excess of total additions over total deductions	5,851	22,947
Cash and investment fund balance - beginning	<u>129,132</u>	<u>66,569</u>
Cash and investment fund balance - ending	<u>\$ 134,983</u>	<u>\$ 89,516</u>
Net assets:		
Cash and investments	<u>\$ 134,983</u>	<u>\$ 89,516</u>
Total net assets - cash and investment	<u>\$ 134,983</u>	<u>\$ 89,516</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 53,988
Investment earnings:		
Interest	4,277	-
Total additions	4,277	53,988
Deductions:		
Administrative and general	-	80,147
Excess (deficiency) of total additions over total deductions	4,277	(26,159)
Cash and investment fund balance - beginning	134,983	89,516
Cash and investment fund balance - ending	\$ 139,260	\$ 63,357
Net assets:		
Cash and investments	\$ 139,260	\$ 63,357
Total net assets - cash and investment	\$ 139,260	\$ 63,357

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Hamilton Heights School Corporation

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

Joint Venture

The School Corporation is a participant with Carmel Clay School Corporation, Frankton-Lapel School Corporation, Sheridan Community Schools, Noblesville Schools, and Westfield Washington School Corporation in a joint venture to operate Hamilton-Boone-Madison Special Services (Co-op) which was created to provide instruction for handicapped children. The Co-op's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Co-op can be obtained from 5201 East 131st Street, Carmel, Indiana, 46033.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

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

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

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

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

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

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for dental insurance provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the pension fund, which accumulate resources for pension benefit payments.

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

C. Measurement Focus and Basis of Accounting

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

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

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

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

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$6,828,638.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
U.S. treasuries and securities	\$ 1,000,000

Statutory Authorization for Investments

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

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

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

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

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006-2007</u>	<u>2007-2008</u>
	Major Fund:		
General Fund	Rainy Day	\$ -	\$ 1,500,000
Major Fund:	Major Fund:	-	-
Debt Service	Transportation Operating	88,573	-
School Bus Replacement	Rainy Day	53,095	-
Rainy Day	School Bus Replacement	53,095	-
Other governmental funds	Other governmental funds	-	12,661
Totals		<u>\$ 194,763</u>	<u>\$ 1,512,661</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported July 1, 2006	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated July 1, 2006
Funds, Govt-Wide	\$ 60,246	Private-Purpose	\$ -	-	\$ 60,246
Funds, Govt-Wide	49,736	Internal Service	-	-	49,736

IV. Other Information

A. Risk Management

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

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

Dental Insurance

The School Corporation has chosen to establish a risk financing fund for risks associated with dental reimbursements. The risk financing fund is accounted for in the Dental Reimbursement Fund, an internal service fund, where assets are set aside for claim settlements. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Medical Benefits to Employees, Retirees, and Dependents

During 1992, the School Corporation joined with other governmental entities to form the Wabash Valley/West Central Indiana School Trust, a public entity risk pool currently operating a common risk management and insurance program for seventeen member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

to employees, retirees, and dependents. The School Corporation pays an annual premium to the risk pool for its medical benefits coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured event. The risk pool obtains independent coverage for insured in excess of the \$5,000,000 limit.

B. Holding Corporations

The School Corporation has entered into capital leases with Hamilton Heights School Building Corporation and Hamilton Heights High School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. During the year ended June 30, 2008, lease payments totaled \$3,428,000.

C. Subsequent Events

In December 2008, the School Corporation issued General Obligation Bonds in the amount of \$4,085,000 to be used for improvements to the schools.

D. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Funding Policy and Annual Pension Cost

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

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

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$207,579, \$194,649, and \$180,413, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Book Rental	Levy Excess	Summer Enrichment Special Education Co-op	School Safe Haven	Gifted Talented Programs
Receipts:							
Local sources	\$ 9,764	\$ 970,649	\$ 262,051	\$ -	\$ 4,606	\$ -	\$ -
State sources	67,764	16,349	15,722	-	-	4,775	14,313
Federal sources	-	190,384	-	-	-	-	-
Sale of property, adjustments and refunds	-	2,649	1,534	-	-	-	-
Total receipts	77,528	1,180,031	279,307	-	4,606	4,775	14,313
Disbursements:							
Current:							
Instruction	87,049	-	-	-	3,895	-	14,313
Support services	-	1,071,604	267,892	-	-	-	-
Nonprogrammed charges	-	-	-	135,264	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	87,049	1,071,604	267,892	135,264	3,895	-	14,313
Excess (deficiency) of receipts over disbursements	(9,521)	108,427	11,415	(135,264)	711	4,775	-
Cash and investments - beginning	18,304	274,716	100,867	139,453	5,471	12	-
Cash and investments - ending	<u>\$ 8,783</u>	<u>\$ 383,143</u>	<u>\$ 112,282</u>	<u>\$ 4,189</u>	<u>\$ 6,182</u>	<u>\$ 4,787</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 8,783	\$ 383,143	\$ 112,282	\$ 4,189	\$ 6,182	\$ 4,787	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 8,783	\$ 383,143	\$ 112,282	\$ 4,189	\$ 6,182	\$ 4,787	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,783	383,143	112,282	4,189	6,182	4,787	-
Total cash and investment fund balance - ending	\$ 8,783	\$ 383,143	\$ 112,282	\$ 4,189	\$ 6,182	\$ 4,787	\$ -

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	At Risk	Equal Opportunity At Risk Standards	At Risk Project 89-219	Non English Speaking Program	School Technology	Indiana School Improvement Award	Tech Adoption Project
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	12,791	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	12,791	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	12,791	-	-
Cash and investments - beginning	2,065	7,137	1,849	66	13,960	4,597	150
Cash and investments - ending	<u>\$ 2,065</u>	<u>\$ 7,137</u>	<u>\$ 1,849</u>	<u>\$ 66</u>	<u>\$ 26,751</u>	<u>\$ 4,597</u>	<u>\$ 150</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 2,065	\$ 7,137	\$ 1,849	\$ 66	\$ 26,751	\$ 4,597	\$ 150
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,065</u>	<u>\$ 7,137</u>	<u>\$ 1,849</u>	<u>\$ 66</u>	<u>\$ 26,751</u>	<u>\$ 4,597</u>	<u>\$ 150</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,065	7,137	1,849	66	26,751	4,597	150
Total cash and investment fund balance - ending	<u>\$ 2,065</u>	<u>\$ 7,137</u>	<u>\$ 1,849</u>	<u>\$ 66</u>	<u>\$ 26,751</u>	<u>\$ 4,597</u>	<u>\$ 150</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Indiana Middle Level Instruction Grant	Indiana Technology Leadership	Professional Development Capacity	Title 1 FY 2008	Title I FY 2005/2006	Title 1 FY 2006/2007	Title V
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	5,650	74,138	2,788
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	5,650	74,138	2,788
Disbursements:							
Current:							
Instruction	-	-	-	-	15,359	54,928	-
Support services	-	-	-	-	-	-	6,868
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	15,359	54,928	6,868
Excess (deficiency) of receipts over disbursements	-	-	-	-	(9,709)	19,210	(4,080)
Cash and investments - beginning	423	500	1,969	-	9,709	-	8,673
Cash and investments - ending	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,210</u>	<u>\$ 4,593</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 423	\$ 500	\$ 1,969	\$ -	\$ -	\$ 19,210	\$ 4,593
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,210</u>	<u>\$ 4,593</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	423	500	1,969	-	-	19,210	4,593
Total cash and investment fund balance - ending	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,210</u>	<u>\$ 4,593</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title VI	Carmel Continuing Grant IDEA	Carmel One Time Grant IDEA	Summer Remediation Jump Start	Carmel Federal Carry Over Grant	Carmel Federal Carry Over One Time Grant	Carmel Grant Part B
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	21,335
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	21,335
Disbursements:							
Current:							
Instruction	-	-	-	-	-	3,028	14,717
Support services	-	-	-	-	-	-	2,850
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	3,028	17,567
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(3,028)	3,768
Cash and investments - beginning	34	16,261	2,685	66	4,070	3,046	-
Cash and investments - ending	<u>\$ 34</u>	<u>\$ 16,261</u>	<u>\$ 2,685</u>	<u>\$ 66</u>	<u>\$ 4,070</u>	<u>\$ 18</u>	<u>\$ 3,768</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 34	\$ 16,261	\$ 2,685	\$ 66	\$ 4,070	\$ 18	\$ 3,768
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 34	\$ 16,261	\$ 2,685	\$ 66	\$ 4,070	\$ 18	\$ 3,768
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	34	16,261	2,685	66	4,070	18	3,768
Total cash and investment fund balance - ending	\$ 34	\$ 16,261	\$ 2,685	\$ 66	\$ 4,070	\$ 18	\$ 3,768

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Carmel Grant Part B	Part B Carry Over	Drug Free Title IV 04/05	Drug Free Title IV 05/06	Title II	Title II FY 2001	Action Research Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	70,672	19,390	6,352	6,135	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>70,672</u>	<u>19,390</u>	<u>6,352</u>	<u>6,135</u>	-	-	-
Disbursements:							
Current:							
Instruction	52,058	5,544	-	-	-	-	-
Support services	-	-	6,352	2,549	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>52,058</u>	<u>5,544</u>	<u>6,352</u>	<u>2,549</u>	-	-	-
Excess (deficiency) of receipts over disbursements	<u>18,614</u>	<u>13,846</u>	-	<u>3,586</u>	-	-	-
Cash and investments - beginning	-	-	-	-	5,904	3,199	1,000
Cash and investments - ending	<u>\$ 18,614</u>	<u>\$ 13,846</u>	<u>\$ -</u>	<u>\$ 3,586</u>	<u>\$ 5,904</u>	<u>\$ 3,199</u>	<u>\$ 1,000</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 18,614	\$ 13,846	\$ -	\$ 3,586	\$ 5,904	\$ 3,199	\$ 1,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 18,614</u>	<u>\$ 13,846</u>	<u>\$ -</u>	<u>\$ 3,586</u>	<u>\$ 5,904</u>	<u>\$ 3,199</u>	<u>\$ 1,000</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>18,614</u>	<u>13,846</u>	-	<u>3,586</u>	<u>5,904</u>	<u>3,199</u>	<u>1,000</u>
Total cash and investment fund balance - ending	<u>\$ 18,614</u>	<u>\$ 13,846</u>	<u>\$ -</u>	<u>\$ 3,586</u>	<u>\$ 5,904</u>	<u>\$ 3,199</u>	<u>\$ 1,000</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	School To Work Grant	Title II Part A Project 05-259	Title II Tech Lit Challenge	Title III Limited English	Debt Service Pension	Construction Building	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 235,264	\$ -	\$ 1,482,334
State sources	-	-	-	-	-	-	131,714
Federal sources	-	74,079	-	863	-	-	471,786
Sale of property, adjustments and refunds	-	11,518	-	-	-	-	15,701
Total receipts	<u>-</u>	<u>85,597</u>	<u>-</u>	<u>863</u>	<u>235,264</u>	<u>-</u>	<u>2,101,535</u>
Disbursements:							
Current:							
Instruction	5,864	63,098	-	-	-	-	319,853
Support services	-	15,978	1,626	3,858	-	3,712	1,383,289
Nonprogrammed charges	-	-	-	-	-	-	135,264
Debt services	-	-	-	-	245,041	-	245,041
Total disbursements	<u>5,864</u>	<u>79,076</u>	<u>1,626</u>	<u>3,858</u>	<u>245,041</u>	<u>3,712</u>	<u>2,083,447</u>
Excess (deficiency) of receipts over disbursements	<u>(5,864)</u>	<u>6,521</u>	<u>(1,626)</u>	<u>(2,995)</u>	<u>(9,777)</u>	<u>(3,712)</u>	<u>18,088</u>
Cash and investments - beginning	<u>5,864</u>	<u>8,023</u>	<u>1,840</u>	<u>2,999</u>	<u>47,291</u>	<u>7,063</u>	<u>699,266</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 14,544</u>	<u>\$ 214</u>	<u>\$ 4</u>	<u>\$ 37,514</u>	<u>\$ 3,351</u>	<u>\$ 717,354</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 14,544	\$ 214	\$ 4	\$ -	\$ 3,351	\$ 679,840
Restricted assets:							
Cash and investments	-	-	-	-	37,514	-	37,514
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 14,544</u>	<u>\$ 214</u>	<u>\$ 4</u>	<u>\$ 37,514</u>	<u>\$ 3,351</u>	<u>\$ 717,354</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 37,514	\$ -	\$ 37,514
Unrestricted	-	14,544	214	4	-	3,351	679,840
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 14,544</u>	<u>\$ 214</u>	<u>\$ 4</u>	<u>\$ 37,514</u>	<u>\$ 3,351</u>	<u>\$ 717,354</u>

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

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

	Special Education Preschool	School Lunch	Book Rental	Levy Excess	Summer Enrichment Special Education Co-op	School Safe Haven	Gifted Talented Programs
Receipts:							
Local sources	\$ 12,767	\$ 1,076,943	\$ 315,742	\$ -	\$ 400	\$ -	\$ -
State sources	89,800	16,253	31,104	-	-	4,623	34,977
Federal sources	-	223,952	-	-	5,791	-	-
Sale of property, adjustments and refunds	-	2,536	1,084	-	-	-	-
Total receipts	102,567	1,319,684	347,930	-	6,191	4,623	34,977
Disbursements:							
Current:							
Instruction	103,067	-	-	-	324	4,775	34,977
Support services	6,257	1,253,012	360,905	-	-	4,623	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	109,324	1,253,012	360,905	-	324	9,398	34,977
Excess (deficiency) of receipts over disbursements	(6,757)	66,672	(12,975)	-	5,867	(4,775)	-
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	(6,757)	66,672	(12,975)	-	5,867	(4,775)	-
Cash and investments - beginning	8,783	383,143	112,282	4,189	6,182	4,787	-
Cash and investments - ending	<u>\$ 2,026</u>	<u>\$ 449,815</u>	<u>\$ 99,307</u>	<u>\$ 4,189</u>	<u>\$ 12,049</u>	<u>\$ 12</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,026	\$ 449,815	\$ 99,307	\$ 4,189	\$ 12,049	\$ 12	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,026</u>	<u>\$ 449,815</u>	<u>\$ 99,307</u>	<u>\$ 4,189</u>	<u>\$ 12,049</u>	<u>\$ 12</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,026	449,815	99,307	4,189	12,049	12	-
Total cash and investment fund balance - ending	<u>\$ 2,026</u>	<u>\$ 449,815</u>	<u>\$ 99,307</u>	<u>\$ 4,189</u>	<u>\$ 12,049</u>	<u>\$ 12</u>	<u>\$ -</u>

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

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

	At Risk	Equal Opportunity At Risk Standards	At Risk Project 89-219	Non English Speaking Program	School Technology	Indiana School Improvement Award	Tech Adoption Project
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	10,006	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	10,006	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	10,006	-	-
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	-	-	-	-	10,006	-	-
Cash and investments - beginning	2,065	7,137	1,849	66	26,751	4,597	150
Cash and investments - ending	2,065	7,137	1,849	66	36,757	4,597	150
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,065	\$ 7,137	\$ 1,849	\$ 66	\$ 36,757	\$ 4,597	\$ 150
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	2,065	7,137	1,849	66	36,757	4,597	150
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,065	7,137	1,849	66	36,757	4,597	150
Total cash and investment fund balance - ending	2,065	7,137	1,849	66	36,757	4,597	150

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

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

	Indiana Middle Level Instruction Grant	Indiana Technology Leadership	Professional Development Capacity	Title 1 FY 2008	Title I FY 2005/2006	Title 1 FY 2006/2007	Title V
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	107,047	-	8,250	3,189
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	107,047	-	8,250	3,189
Disbursements:							
Current:							
Instruction	-	-	-	67,206	-	13,949	-
Support services	-	-	-	934	-	5,200	6,037
Community services	-	-	-	-	-	407	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	68,140	-	19,556	6,037
Excess (deficiency) of receipts over disbursements	-	-	-	38,907	-	(11,306)	(2,848)
Other financing sources (uses):							
Transfers in	-	-	-	7,904	-	-	3,000
Transfers out	-	-	-	-	-	(7,904)	-
Total other financing sources (uses)	-	-	-	7,904	-	(7,904)	3,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	46,811	-	(19,210)	152
Cash and investments - beginning	423	500	1,969	-	-	19,210	4,593
Cash and investments - ending	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ 46,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,745</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 423	\$ 500	\$ 1,969	\$ 46,811	\$ -	\$ -	\$ 4,745
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ 46,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,745</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	423	500	1,969	46,811	-	-	4,745
Total cash and investment fund balance - ending	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ 46,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,745</u>

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

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

	Title VI	Carmel Continuing Grant IDEA	Carmel One Time Grant IDEA	Summer Remediation Jump Start	Carmel Federal Carry Over Grant	Carmel Federal Carry Over One Time Grant	Carmel Grant Part B
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	20,928
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	20,928
Disbursements:							
Current:							
Instruction	-	16,261	2,685	-	4,070	-	19,258
Support services	-	-	-	-	-	-	3,237
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	16,261	2,685	-	4,070	-	22,495
Excess (deficiency) of receipts over disbursements	-	(16,261)	(2,685)	-	(4,070)	-	(1,567)
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	-	(16,261)	(2,685)	-	(4,070)	-	(1,567)
Cash and investments - beginning	34	16,261	2,685	66	4,070	18	3,768
Cash and investments - ending	\$ 34	\$ -	\$ -	\$ 66	\$ -	\$ 18	\$ 2,201
Cash and Investment Assets - Ending							
Cash and investments	\$ 34	\$ -	\$ -	\$ 66	\$ -	\$ 18	\$ 2,201
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 34	\$ -	\$ -	\$ 66	\$ -	\$ 18	\$ 2,201
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	34	-	-	66	-	18	2,201
Total cash and investment fund balance - ending	\$ 34	\$ -	\$ -	\$ 66	\$ -	\$ 18	\$ 2,201

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

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

	Carmel Grant Part B	Part B Carry Over	Drug Free Title IV 04/05	Drug Free Title IV 05/06	Title II	Title II FY 2001	Action Research Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	69,324	-	-	9,510	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	69,324	-	-	9,510	-	-	-
Disbursements:							
Current:							
Instruction	73,306	13,846	-	-	-	-	-
Support services	-	-	-	5,005	-	-	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	73,306	13,846	-	5,005	-	-	-
Excess (deficiency) of receipts over disbursements	(3,982)	(13,846)	-	4,505	-	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(4,757)	-	-	-
Total other financing sources (uses)	-	-	-	(4,757)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,982)	(13,846)	-	(252)	-	-	-
Cash and investments - beginning	18,614	13,846	-	3,586	5,904	3,199	1,000
Cash and investments - ending	<u>\$ 14,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,334</u>	<u>\$ 5,904</u>	<u>\$ 3,199</u>	<u>\$ 1,000</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 14,632	\$ -	\$ -	\$ 3,334	\$ 5,904	\$ 3,199	\$ 1,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 14,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,334</u>	<u>\$ 5,904</u>	<u>\$ 3,199</u>	<u>\$ 1,000</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>14,632</u>	<u>-</u>	<u>-</u>	<u>3,334</u>	<u>5,904</u>	<u>3,199</u>	<u>1,000</u>
Total cash and investment fund balance - ending	<u>\$ 14,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,334</u>	<u>\$ 5,904</u>	<u>\$ 3,199</u>	<u>\$ 1,000</u>

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

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

	School To Work Grant	Title II Part A Project 05-259	Title II Tech Lit Challenge	Title III Limited English	Debt Service Pension	Construction Building	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 153,602	\$ -	\$ 1,559,454
State sources	-	-	-	-	-	-	186,763
Federal sources	-	71,215	-	1,132	-	-	520,338
Sale of property, adjustments and refunds	-	-	-	-	-	-	3,620
Total receipts	-	71,215	-	1,132	153,602	-	2,270,175
Disbursements:							
Current:							
Instruction	-	38,403	-	-	-	-	392,127
Support services	-	21,234	214	869	-	53	1,667,580
Community services	-	-	-	-	-	-	407
Debt services	-	-	-	-	169,623	-	169,623
Total disbursements	-	59,637	214	869	169,623	53	2,229,737
Excess (deficiency) of receipts over disbursements	-	11,578	(214)	263	(16,021)	(53)	40,438
Other financing sources (uses):							
Transfers in	-	1,757	-	-	-	-	12,661
Transfers out	-	-	-	-	-	-	(12,661)
Total other financing sources (uses)	-	1,757	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	13,335	(214)	263	(16,021)	(53)	40,438
Cash and investments - beginning	-	14,544	214	4	37,514	3,351	717,354
Cash and investments - ending	\$ -	\$ 27,879	\$ -	\$ 267	\$ 21,493	\$ 3,298	\$ 757,792
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 27,879	\$ -	\$ 267	\$ -	\$ 3,298	\$ 736,299
Restricted assets:							
Cash and investments	-	-	-	-	21,493	-	21,493
Total cash and investment assets - ending	\$ -	\$ 27,879	\$ -	\$ 267	\$ 21,493	\$ 3,298	\$ 757,792
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 21,493	\$ -	\$ 21,493
Unrestricted	-	27,879	-	267	-	3,298	736,299
Total cash and investment fund balance - ending	\$ -	\$ 27,879	\$ -	\$ 267	\$ 21,493	\$ 3,298	\$ 757,792

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

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	<u>Paul Achenbach Memorial</u>	<u>Donations To Hamilton Heights Middle School</u>	<u>Donation Roselyn Recipes, Inc.</u>	<u>Matt Cahill Memorial Scholarship</u>	<u>Donation PTO Magazine Sales</u>	<u>Primary School Clinic PTO Donation</u>	<u>Dean Small Scholarship</u>	<u>Dave Sheller Memorial Scholarship</u>
Additions:								
Contributions:								
Other	\$ -	\$ -	\$ -	\$ -	\$ 29,925	\$ -	\$ -	\$ -
Deductions:								
Administrative and general	-	367	-	200	7,840	-	1,000	-
Excess (deficiency) of total additions over total deductions	-	(367)	-	(200)	22,085	-	(1,000)	-
Cash and investment fund balance - beginning	<u>785</u>	<u>698</u>	<u>33</u>	<u>2,970</u>	<u>43,683</u>	<u>765</u>	<u>3,627</u>	<u>6,685</u>
Cash and investments - June 30	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>	<u>\$ 2,770</u>	<u>\$ 65,768</u>	<u>\$ 765</u>	<u>\$ 2,627</u>	<u>\$ 6,685</u>
Net assets:								
Cash and investments	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>	<u>\$ 2,770</u>	<u>\$ 65,768</u>	<u>\$ 765</u>	<u>\$ 2,627</u>	<u>\$ 6,685</u>
Total net assets - cash and investment basis held in trust	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>	<u>\$ 2,770</u>	<u>\$ 65,768</u>	<u>\$ 765</u>	<u>\$ 2,627</u>	<u>\$ 6,685</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	<u>Bishop Memorial</u>	<u>Susan Barnes Scholarship</u>	<u>Cicero American Legion Aux Grant</u>	<u>Swimming Program</u>	<u>Heidi O'Rear Scholarship</u>	<u>Hamilton Heights High Miscellaneous</u>	<u>Indiana Next Leadership FY 02/03</u>
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -
Deductions:							
Administrative and general	-	-	-	-	500	-	-
Excess (deficiency) of total additions over total deductions	-	-	200	-	(500)	-	-
Cash and investment fund balance - beginning	<u>1,013</u>	<u>1,051</u>	<u>860</u>	<u>869</u>	<u>1,228</u>	<u>-</u>	<u>693</u>
Cash and investments - June 30	<u>\$ 1,013</u>	<u>\$ 1,051</u>	<u>\$ 1,060</u>	<u>\$ 869</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ 693</u>
Net assets:							
Cash and investments	<u>\$ 1,013</u>	<u>\$ 1,051</u>	<u>\$ 1,060</u>	<u>\$ 869</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ 693</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,013</u>	<u>\$ 1,051</u>	<u>\$ 1,060</u>	<u>\$ 869</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ 693</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	2003-2004 Foundation Grants	2004-2005 Foundation Grants	2005-2006 Foundation Grants	2006-2007 Foundation Grants	2007-2008 Foundation Grants	2001-2002 Foundation Grants	Totals
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 6,403	\$ 5,371	\$ -	\$ -	\$ 41,899
Deductions:							
Administrative and general	-	-	5,139	3,906	-	-	18,952
Excess (deficiency) of total additions over total deductions	-	-	1,264	1,465	-	-	22,947
Cash and investment fund balance - beginning	721	767	61	-	-	60	66,569
Cash and investments - June 30	<u>\$ 721</u>	<u>\$ 767</u>	<u>\$ 1,325</u>	<u>\$ 1,465</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 89,516</u>
Net assets:							
Cash and investments	\$ 721	\$ 767	\$ 1,325	\$ 1,465	\$ -	\$ 60	\$ 89,516
Total net assets - cash and investment basis held in trust	<u>\$ 721</u>	<u>\$ 767</u>	<u>\$ 1,325</u>	<u>\$ 1,465</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 89,516</u>

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

	Paul Achenbach Memorial	Donations To Hamilton Heights Middle School	Donation Roselyn Recipes, Inc.	Matt Cahill Memorial Scholarship	Donation PTO Magazine Sales	Primary School Clinic PTO Donation	Dean Small Scholarship	Dave Sheller Memorial Scholarship
Additions:								
Contributions:								
Other	\$ -	\$ -	\$ -	\$ 50	\$ 21,959	\$ -	\$ -	\$ -
Deductions:								
Administrative and general	-	-	-	400	50,968	-	500	-
Excess (deficiency) of total additions over total deductions	-	-	-	(350)	(29,009)	-	(500)	-
Cash and investment fund balance - beginning	785	331	33	2,770	65,768	765	2,627	6,685
Cash and investments - June 30	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>	<u>\$ 2,420</u>	<u>\$ 36,759</u>	<u>\$ 765</u>	<u>\$ 2,127</u>	<u>\$ 6,685</u>
Net assets:								
Cash and investments	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>	<u>\$ 2,420</u>	<u>\$ 36,759</u>	<u>\$ 765</u>	<u>\$ 2,127</u>	<u>\$ 6,685</u>
Total net assets - cash and investment basis held in trust	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>	<u>\$ 2,420</u>	<u>\$ 36,759</u>	<u>\$ 765</u>	<u>\$ 2,127</u>	<u>\$ 6,685</u>

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

	Bishop Memorial	Susan Barnes Scholarship	Cicero American Legion Aux Grant	Swimming Program	Heidi O'Rear Scholarship	Hamilton Heights High Miscellaneous	Indiana Next Leadership FY 02/03
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 200	\$ 15,700	\$ -	\$ 8,482	\$ -
Deductions:							
Administrative and general	-	-	-	15,520	500	6,336	-
Excess (deficiency) of total additions over total deductions	-	-	200	180	(500)	2,146	-
Cash and investment fund balance - beginning	1,013	1,051	1,060	869	728	-	693
Cash and investments - June 30	<u>\$ 1,013</u>	<u>\$ 1,051</u>	<u>\$ 1,260</u>	<u>\$ 1,049</u>	<u>\$ 228</u>	<u>\$ 2,146</u>	<u>\$ 693</u>
Net assets:							
Cash and investments	<u>\$ 1,013</u>	<u>\$ 1,051</u>	<u>\$ 1,260</u>	<u>\$ 1,049</u>	<u>\$ 228</u>	<u>\$ 2,146</u>	<u>\$ 693</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,013</u>	<u>\$ 1,051</u>	<u>\$ 1,260</u>	<u>\$ 1,049</u>	<u>\$ 228</u>	<u>\$ 2,146</u>	<u>\$ 693</u>

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

	2003-2004 Foundation Grants	2004-2005 Foundation Grants	2005-2006 Foundation Grants	2006-2007 Foundation Grants	2007-2008 Foundation Grants	2001-2002 Foundation Grants	Totals
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ 500	\$ 7,097	\$ -	\$ 53,988
Deductions:							
Administrative and general	-	-	473	1,793	3,657	-	80,147
Excess (deficiency) of total additions over total deductions	-	-	(473)	(1,293)	3,440	-	(26,159)
Cash and investment fund balance - beginning	721	767	1,325	1,465	-	60	89,516
Cash and investments - June 30	<u>\$ 721</u>	<u>\$ 767</u>	<u>\$ 852</u>	<u>\$ 172</u>	<u>\$ 3,440</u>	<u>\$ 60</u>	<u>\$ 63,357</u>
Net assets:							
Cash and investments	<u>\$ 721</u>	<u>\$ 767</u>	<u>\$ 852</u>	<u>\$ 172</u>	<u>\$ 3,440</u>	<u>\$ 60</u>	<u>\$ 63,357</u>
Total net assets - cash and investment basis held in trust	<u>\$ 721</u>	<u>\$ 767</u>	<u>\$ 852</u>	<u>\$ 172</u>	<u>\$ 3,440</u>	<u>\$ 60</u>	<u>\$ 63,357</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,890,000
Infrastructure	50,000
Buildings	79,728,600
Improvements other than buildings	1,355,508
Machinery and equipment	<u>5,629,347</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 88,653,455</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Hamilton Heights School Building Corporation	\$ 18,205,000	\$ 1,632,500
Hamilton Heights High School Building Corporation	4,470,000	1,898,000
Notes and loans payable:		
Energy Savings 2001 CPF	186,000	131,647
Energy Savings 2000 CPF	402,000	283,173
Veteran's Memorial #32	17,500	5,175
Common School A310	606,607	118,273
Common School A340	666,177	121,308
Bonds payable:		
General obligation bonds:		
Pension bonds	1,230,000	165,270
Total governmental activities debt	<u>\$ 25,783,284</u>	<u>\$ 4,355,346</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

ACCOUNTABLE ITEMS (Applies to Hamilton Heights Primary,
Hamilton Heights Elementary, and Hamilton Heights High School)

Records presented for audit indicated that checks were left unused and were not voided. A new series of checks is now being used.

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 Extra-Curricular Accounts, Chapter 7)

VENDING, CONCESSIONS, OR OTHER SALES CONTROLS (Applies to Hamilton Heights High School)

Information was again not presented for audit to indicate that a regular reconciliation of the beginning inventory, purchases, distributions, items sold, and ending inventory to the amount received was performed. A similar comment appeared in the prior Reports B22719, B26352, and B29051.

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting.

Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CREDIT CARDS

The School Board has adopted a credit card policy but the policy states that the Superintendent shall develop administrative guidelines on the types of expense which can be paid by the credit card. No guidelines were presented for audit. The claims reviewed did not always contain detailed receipts.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.

HAMILTON HEIGHTS SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

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

INDEBTEDNESS (Applies to Hamilton Heights High School)

Invoices were observed in reviewing the Big Orange Booster-football file for greeting cards, thank you cards, purchase of equipment, and purchases of clothing (many for one or two items in size XL, i.e. shirts, shorts, jackets). Not all of the invoices were attached to a SA-1, only the ones where payment was made. Several invoices were not given to the Extra-Curricular Treasurer for payment as no funds were available to pay the invoices. We discovered in 2006 that the Football Coach had indebted the ECA and was not or probably could not pay the outstanding invoices. The Athletic Director sent a letter, dated September 29, 2006, to the Football Coach explaining that all future purchases would have to go through his office and contain the Athletic Director's authorization and signature. A copy of the letter was sent to the vendor, Kratz Sporting Goods. The Football Coach resigned in July 2007. Several items were purchased the day after his resignation. The total indebtedness to Kratz Sporting Goods was \$40,331.14.

After review by the School Corporation's attorney, the High School sent a check dated January 13, 2009, to Kratz Sporting Goods in the amount of \$8,861.87 for payment of the portion the High School considered a responsibility. The remaining balance of the invoices outstanding, \$31,469.27, was not considered an obligation of the High School.

A governmental unit may not incur indebtedness unless specifically allowed by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE HAMILTON HEIGHTS SCHOOL
CORPORATION, HAMILTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Hamilton Heights School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. 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.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

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

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

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

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

STATE BOARD OF ACCOUNTS

March 3, 2009

HAMILTON HEIGHTS SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
FY 07/08		FY 07/08	\$ -	\$ 39,389
National School Lunch Program				
FY 06/07	10.555		233,746	-
FY 07/08		FY 07/08	-	247,488
Total for program			<u>233,746</u>	<u>247,488</u>
Total for cluster			<u>233,746</u>	<u>286,877</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
FY 06	84.010		15,359	-
FY 07			54,928	19,555
FY 08			-	68,140
Total for program			<u>70,287</u>	<u>87,695</u>
Pass-Through Carmel Clay School Corporation				
Special Education - Grants to States				
FY 06/07	84.027		78,197	-
FY 07/08			-	132,661
Total for program			<u>78,197</u>	<u>132,661</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants				
Project 04-172	84.186		6,352	-
FY 05/06		04-172	2,549	5,005
Total for program			<u>8,901</u>	<u>5,005</u>
School to Work Opportunities	84.278		5,864	-
State Grants For Innovative Programs	84.298		6,868	4,344
Pass-Through Wabash Valley Education Center				
English Language Acquisition Grants				
FY 06/07	84.365		3,858	-
FY 07/08			-	868
Total for program			<u>3,858</u>	<u>868</u>
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants				
Project 04-168	84.367		77,594	59,637
Project 02-030		04-168 02-030	1,137	214
Total for program			<u>78,731</u>	<u>59,851</u>
Total for federal grantor agency			<u>182,419</u>	<u>202,729</u>
Total federal awards expended			<u>\$ 486,452</u>	<u>\$ 577,301</u>

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
National School Lunch Program	10.555	\$ 42,991	\$ 42,480

HAMILTON HEIGHTS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title 1 Grants to Local Educational Agencies

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.

HAMILTON HEIGHTS SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No items reportable.

HAMILTON HEIGHTS SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2009, with Peggy D. Jackson, Director of Budget and Finance; Michael S. House, President of the School Board; Anthony J. Cook, Superintendent of Schools; and Pauleeta A. Browning, Treasurer.