

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

AUDIT REPORT
OF
DELPHI COMMUNITY SCHOOL CORPORATION
CARROLL COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED

05/11/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-22
Required Supplementary Information:	
Schedule of Funding Progress	23
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	24-35
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	36-37
Schedule of Capital Assets.....	38
Schedule of Long-Term Debt	39
Audit Results and Comments:	
Overdrawn Cash Balances.....	40
Fringe Benefits.....	40-41
Overpayment on Contract	41
Transportation Fund – Record of Hours Worked	41-42
Credit Cards.....	42-43
Sales Tax.....	43
Educational Expenditures.....	43-44
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	46-47
Schedule of Expenditures of Federal Awards	48
Notes to Schedule of Expenditures of Federal Awards.....	49
Schedule of Findings and Questioned Costs	50
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	51
Exit Conference.....	52

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Handlin	07-01-06 to 06-30-09
Superintendent of Schools	Fred Minnick (Interim)	07-01-06 to 09-30-06
	Ralph L. Walker	10-01-06 to 09-30-07
	Steve Sailor (Interim)	10-01-07 to 12-06-07
	Vacant	12-07-07 to 12-31-07
	Ralph L. Walker	01-01-08 to 06-30-09
President of the School Board	Robert Resler	07-01-06 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delphi Community 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, 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 April 8, 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 Schedule of Funding Progress, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The 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

April 8, 2009



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

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 DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delphi Community 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 April 8, 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.

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)

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.

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

STATE BOARD OF ACCOUNTS

April 8, 2009

DELPHI COMMUNITY 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,418,191	\$ -	\$ 35,699	\$ (6,382,492)
Support services	5,335,103	313,335	319,931	(4,701,837)
Community services	151,960	-	-	(151,960)
Nonprogrammed charges	946,063	-	-	(946,063)
Debt service	<u>3,068,159</u>	<u>-</u>	<u>-</u>	<u>(3,068,159)</u>
 Total government	 <u>\$ 15,919,476</u>	 <u>\$ 313,335</u>	 <u>\$ 355,630</u>	 <u>(15,250,511)</u>
 General receipts:				
Property taxes				4,713,476
Other local sources				901,449
State aid				6,486,052
Grants and contributions not restricted to specific programs				470,124
Sale of property, adjustments, and refunds				24,535
Investment earnings				<u>88,682</u>
 Total general receipts, interfund loans, transfers, and special items				 <u>12,684,318</u>
 Change in net assets				 (2,566,193)
 Net assets - beginning				 <u>2,134,599</u>
 Net assets - ending				 <u>\$ (431,594)</u>
 <u>Assets</u>				
Cash and investments				\$ 236,230
Restricted assets:				
Cash and investments				<u>(667,824)</u>
 Total assets				 <u>\$ (431,594)</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ (667,824)
Unrestricted				<u>236,230</u>
 Total net assets				 <u>\$ (431,594)</u>

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

DELPHI COMMUNITY 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,870,871	\$ -	\$ 180,440	\$ (6,690,431)
Support services	6,995,215	384,795	364,318	(6,246,102)
Community services	199,845	-	-	(199,845)
Nonprogrammed charges	788,740	-	-	(788,740)
Debt service	<u>1,873,485</u>	<u>-</u>	<u>-</u>	<u>(1,873,485)</u>
Total government	<u>\$ 16,728,156</u>	<u>\$ 384,795</u>	<u>\$ 544,758</u>	<u>(15,798,603)</u>
General receipts:				
Property taxes				7,512,610
Other local sources				1,375,329
State aid				6,360,342
Bonds and loans				2,000,000
Grants and contributions not restricted to specific programs				488,074
Sale of property, adjustments, and refunds				61,609
Investment earnings				<u>73,075</u>
Total general receipts, interfund loans, transfers, and special items				<u>17,871,039</u>
Change in net assets				2,072,436
Net assets - beginning				<u>(431,594)</u>
Net assets - ending				<u>\$ 1,640,842</u>
<u>Assets</u>				
Cash and investments				\$ 1,492,200
Restricted assets:				
Cash and investments				<u>148,642</u>
Total assets				<u>\$ 1,640,842</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 148,642
Unrestricted				<u>1,492,200</u>
Total net assets				<u>\$ 1,640,842</u>

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

DELPHI COMMUNITY 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	Special Education Preschool	Rainy Day	Cafeteria	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:										
Local sources	\$ 2,325,723	\$ 749,790	\$ 6,188	\$ -	\$ 297,053	\$ 1,405,323	\$ 964,911	\$ 90,762	\$ 176,704	\$ 6,016,454
Intermediate sources	-	-	-	-	-	-	-	-	488	488
State sources	6,500,627	-	40,900	-	9,252	-	-	-	91,459	6,642,238
Federal sources	-	-	-	-	285,543	-	-	-	384,025	669,568
Sale of property, adjustments and refunds	8,062	436	-	-	3,700	-	8,810	-	3,527	24,535
Total receipts	8,834,412	750,226	47,088	-	595,548	1,405,323	973,721	90,762	656,203	13,353,283
Disbursements:										
Current:										
Instruction	5,992,336	-	-	-	-	-	-	-	425,855	6,418,191
Support services	2,210,030	984,348	-	-	547,520	-	1,229,377	163,252	200,576	5,335,103
Community services	150,292	-	-	-	-	-	-	-	1,668	151,960
Nonprogrammed charges	785,819	-	-	160,244	-	-	-	-	-	946,063
Debt services	750,000	-	-	117,236	-	1,927,691	79,259	-	193,973	3,068,159
Total disbursements	9,888,477	984,348	-	277,480	547,520	1,927,691	1,308,636	163,252	822,072	15,919,476
Excess (deficiency) of receipts over disbursements	(1,054,065)	(234,122)	47,088	(277,480)	48,028	(522,368)	(334,915)	(72,490)	(165,869)	(2,566,193)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	16,432	16,432
Transfers out	-	-	-	-	-	-	-	-	(16,432)	(16,432)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,054,065)	(234,122)	47,088	(277,480)	48,028	(522,368)	(334,915)	(72,490)	(165,869)	(2,566,193)
Cash and investments - beginning	552,893	65,042	99,376	774,787	309,661	(79,291)	265,388	161,338	(14,595)	2,134,599
Cash and investments - ending	<u>\$ (501,172)</u>	<u>\$ (169,080)</u>	<u>\$ 146,464</u>	<u>\$ 497,307</u>	<u>\$ 357,689</u>	<u>\$ (601,659)</u>	<u>\$ (69,527)</u>	<u>\$ 88,848</u>	<u>\$ (180,464)</u>	<u>\$ (431,594)</u>
Cash and Investment Assets - Ending										
Cash and investments	\$ (501,172)	\$ (169,080)	\$ 146,464	\$ 497,307	\$ 357,689	\$ -	\$ (69,527)	\$ 88,848	\$ (114,299)	\$ 236,230
Restricted assets:										
Cash and investments	-	-	-	-	-	(601,659)	-	-	(66,165)	(667,824)
Total cash and investment assets - ending	<u>\$ (501,172)</u>	<u>\$ (169,080)</u>	<u>\$ 146,464</u>	<u>\$ 497,307</u>	<u>\$ 357,689</u>	<u>\$ (601,659)</u>	<u>\$ (69,527)</u>	<u>\$ 88,848</u>	<u>\$ (180,464)</u>	<u>\$ (431,594)</u>
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (601,659)	\$ -	\$ -	\$ (66,165)	\$ (667,824)
Unrestricted	(501,172)	(169,080)	146,464	497,307	357,689	-	(69,527)	88,848	(114,299)	236,230
Total cash and investment fund balance - ending	<u>\$ (501,172)</u>	<u>\$ (169,080)</u>	<u>\$ 146,464</u>	<u>\$ 497,307</u>	<u>\$ 357,689</u>	<u>\$ (601,659)</u>	<u>\$ (69,527)</u>	<u>\$ 88,848</u>	<u>\$ (180,464)</u>	<u>\$ (431,594)</u>

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

DELPHI COMMUNITY 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	Special Education Preschool	Rainy Day	Cafeteria	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:										
Local sources	\$ 3,412,737	\$ 1,153,264	\$ 9,039	\$ 25,502	\$ 353,448	\$ 2,446,628	\$ 1,484,759	\$ 133,771	\$ 325,546	\$ 9,344,694
Intermediate sources	815	-	-	-	-	-	-	-	300	1,115
State sources	6,520,849	-	24,995	-	9,195	-	-	-	106,041	6,661,080
Federal sources	11,000	-	-	-	300,515	-	-	-	420,579	732,094
Bonds and loans	2,000,000	-	-	-	-	-	-	-	-	2,000,000
Sale of property, adjustments and refunds	906	51,782	-	-	2,852	-	1,147	-	4,922	61,609
Total receipts	11,946,307	1,205,046	34,034	25,502	666,010	2,446,628	1,485,906	133,771	857,388	18,800,592
Disbursements:										
Current:										
Instruction	6,298,227	-	140,000	-	-	-	-	-	432,644	6,870,871
Support services	3,231,868	1,142,254	-	-	603,495	17,688	1,708,172	135,332	156,406	6,995,215
Community services	198,284	-	-	-	-	-	-	-	1,561	199,845
Nonprogrammed charges	788,740	-	-	-	-	-	-	-	-	788,740
Debt services	-	-	-	-	-	1,617,976	66,757	-	188,752	1,873,485
Total disbursements	10,517,119	1,142,254	140,000	-	603,495	1,635,664	1,774,929	135,332	779,363	16,728,156
Excess (deficiency) of receipts over disbursements	1,429,188	62,792	(105,966)	25,502	62,515	810,964	(289,023)	(1,561)	78,025	2,072,436
Other financing sources (uses):										
Transfers in	11,976	-	-	-	-	-	-	-	9,509	21,485
Transfers out	-	-	-	-	-	-	-	-	(21,485)	(21,485)
Total other financing sources (uses)	11,976	-	-	-	-	-	-	-	(11,976)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,441,164	62,792	(105,966)	25,502	62,515	810,964	(289,023)	(1,561)	66,049	2,072,436
Cash and investments - beginning	(501,172)	(169,080)	146,464	497,307	357,689	(601,659)	(69,527)	88,848	(180,464)	(431,594)
Cash and investments - ending	\$ 939,992	\$ (106,288)	\$ 40,498	\$ 522,809	\$ 420,204	\$ 209,305	\$ (358,550)	\$ 87,287	\$ (114,415)	\$ 1,640,842
Cash and Investment Assets - Ending										
Cash and investments	\$ 939,992	\$ (106,288)	\$ 40,498	\$ 522,809	\$ 420,204	\$ -	\$ (358,550)	\$ 87,287	\$ (53,752)	\$ 1,492,200
Restricted assets:										
Cash and investments	-	-	-	-	-	209,305	-	-	(60,663)	148,642
Total cash and investment assets - ending	\$ 939,992	\$ (106,288)	\$ 40,498	\$ 522,809	\$ 420,204	\$ 209,305	\$ (358,550)	\$ 87,287	\$ (114,415)	\$ 1,640,842
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,305	\$ -	\$ -	\$ (60,663)	\$ 148,642
Unrestricted	939,992	(106,288)	40,498	522,809	420,204	-	(358,550)	87,287	(53,752)	1,492,200
Total cash and investment fund balance - ending	\$ 939,992	\$ (106,288)	\$ 40,498	\$ 522,809	\$ 420,204	\$ 209,305	\$ (358,550)	\$ 87,287	\$ (114,415)	\$ 1,640,842

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

DELPHI COMMUNITY 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:		
Other	\$ -	\$ 7,496
Investment earnings:		
Interest	-	3,487
Total additions	<u>-</u>	<u>10,983</u>
Deductions:		
Benefits	14,166	-
Administrative and general	-	9,047
Total deductions	<u>14,166</u>	<u>9,047</u>
Excess (deficiency) of total additions over total deductions	(14,166)	1,936
Cash and investment fund balance - beginning	<u>296,363</u>	<u>90,993</u>
Cash and investment fund balance - ending	<u>\$ 282,197</u>	<u>\$ 92,929</u>
Net assets:		
Cash and investments	<u>\$ 282,197</u>	<u>\$ 92,929</u>
Total net assets - cash and investment basis held in trust	<u>\$ 282,197</u>	<u>\$ 92,929</u>

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

DELPHI COMMUNITY 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	\$ -	\$ 2,900
Investment earnings:		
Interest	-	2,975
Total additions	-	5,875
Deductions:		
Administrative and general	-	580
Excess of total additions over total deductions	-	5,295
Cash and investment fund balance - beginning	282,197	92,929
Cash and investment fund balance - ending	\$ 282,197	\$ 98,224
Net assets:		
Cash and investments	\$ 282,197	\$ 98,224
Total net assets - cash and investment basis held in trust	\$ 282,197	\$ 98,224

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

DELPHI COMMUNITY 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: Delphi Community 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 ten other school corporations in a joint venture to operate the Indian Trails Career Cooperative which was created to engage in the joint employment of personnel and joint purchases of supplies, equipment, and facilities to provide programs and services for vocational education. The School Corporation is obligated by contract to remit its proportionate share annually to supplement the Cooperative's budget. The Cooperative's continued existence depends on continued funding by the member school corporations. Complete financial statements for the Cooperative can be obtained from the local educational agency (Twin Lakes School Corporation) at 565 South Main Street, Monticello, IN 47960.

The School Corporation is a participant with nine other school corporations in a joint venture to operate the Logansport Area Joint Special Services Cooperative (LAJSSC) which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit its proportionate share annually to supplement the LAJSSC's budget. The LAJSSC pays its surplus to the participants. The LAJSSC's continued existence depends on continued funding by the member school corporations. Complete financial statements for LAJSSC can be obtained from the LAJSSC office at 1501 Meadowlawn Avenue, Logansport, Indiana, 46947.

The School Corporation is a participant with forty-one other school corporations in a joint venture to operate the Wabash Valley Education Center (Center) which was created to operate and maintain an educational service for curriculum development, purchasing and financial management. The Center's continued existence depends on continued funding by the member school corporations. Complete financial statements for the Center can be obtained from their administrative office at 3081 Benton Street, West Lafayette, Indiana, 47906-1129.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 non-exchange 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.

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 special education preschool fund accounts for special education programs for preschool age children as required under IC 20-40-4-5.

The rainy day fund accounts for transfers of unused and unencumbered funds under Indiana Code 36-1-8-5 and a locally adopted resolution. The fund is subject to the same appropriation process as funds that receive tax money.

The cafeteria fund accounts for receipts and disbursements for the food service program.

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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance bond fund, which accumulates resources for early retirement and pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students of the school corporation through the issuance of scholarships.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Program Receipts

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

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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2007	2008
General	\$ 501,172	\$ -
Transportation Operating	169,080	106,288
Debt Service	601,659	-
Capital Projects	69,527	358,550
Textbook Rental	170,529	61,400
Adult Education State Reimbursement	3,951	5,204
Title II Eisenhower 1999 - 2000	2,054	-
Title II Eisenhower Grant	1,812	-
Retirement Severance Bond Debt Service	66,165	60,663
High Ability Grant	-	947
Non-English Speaking Program	-	419
Title II B Vocational	-	3,323

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

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

B. Interfund Transfers

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

Transfer From	Transfer To	2007	2008
Other governmental funds	General Fund	\$ -	\$ 11,976
	Other governmental funds	16,432	9,509
Totals		<u>\$ 16,432</u>	<u>\$ 21,485</u>

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

B. Holding Corporation

The School Corporation has entered into a capital lease with Delphi Community Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the 2007-2008 school year totaled \$375,000.

C. Subsequent Events

Delphi Community Multi School Building Corporation issued \$4,730,000 in First Mortgage Multipurpose Bonds, Series 2009 to refund \$3,015,000 in outstanding bonds. This new issue created an additional \$1,665,000 to be used for planned building and remodeling projects. The delivery date was February 12, 2009.

The Board of Trustees of the Delphi Community School Corporation has determined that a need exists for renovation and upgrading of the high school and middle school. The proposed project would be funded by a lease with a nonprofit school building corporation or by issuing general obligation bonds. The amount of the project is estimated not to exceed \$13,000,000. This project will be decided upon by voter referendum on June 16, 2009.

D. Pension Plans

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

Public Employees' Retirement Fund

Plan Description

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

DELPHI COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 55,819
Interest on net pension obligation	(14,732)
Adjustment to annual required contribution	16,788
Annual pension cost	57,875
Contributions made	57,288
Increase in net pension obligation	587
Net pension obligation, beginning of year	(203,202)
Net pension obligation, end of year	\$ (202,615)

	PERF
Contribution rates:	
School Corporation	3.25%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

DELPHI COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>
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%

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
PERF	06-30-05	\$ 37,341	158%	\$ (177,361)
	06-30-06	33,072	178%	(203,202)
	06-30-07	57,875	99%	(202,615)

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$141,566, \$124,321, and \$112,007, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

DELPHI COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 1,198,954	\$ 965,594	\$ 233,360	124%	\$ 971,592	24%
07-01-06	1,143,473	1,057,813	85,660	108%	1,009,144	8%
07-01-07	1,190,501	1,053,499	137,002	113%	1,153,860	12%

DELPHI COMMUNITY 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

	Textbook Rental	Levy Excess	Education Plate Fee	Safe School Haven	Early Intervention Grant
Receipts:					
Local sources	\$ 93,484	\$ (63,267)	\$ -	\$ -	\$ -
Intermediate sources	-	-	488	-	-
State sources	25,295	-	-	-	16,000
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	2,106	-	-	-	-
	<u>120,885</u>	<u>(63,267)</u>	<u>488</u>	<u>-</u>	<u>16,000</u>
Disbursements:					
Current:					
Instruction	-	-	3,379	-	16,000
Support services	131,346	-	-	-	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
	<u>131,346</u>	<u>-</u>	<u>3,379</u>	<u>-</u>	<u>16,000</u>
Excess (deficiency) of receipts over disbursements	<u>(10,461)</u>	<u>(63,267)</u>	<u>(2,891)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,461)</u>	<u>(63,267)</u>	<u>(2,891)</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>(160,068)</u>	<u>63,267</u>	<u>5,212</u>	<u>2,000</u>	<u>-</u>
Cash and investments - ending	<u>\$ (170,529)</u>	<u>\$ -</u>	<u>\$ 2,321</u>	<u>\$ 2,000</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ (170,529)	\$ -	\$ 2,321	\$ 2,000	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (170,529)</u>	<u>\$ -</u>	<u>\$ 2,321</u>	<u>\$ 2,000</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(170,529)</u>	<u>-</u>	<u>2,321</u>	<u>2,000</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ (170,529)</u>	<u>\$ -</u>	<u>\$ 2,321</u>	<u>\$ 2,000</u>	<u>\$ -</u>

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

DELPHI COMMUNITY 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 Intervention and Career	Adult Education State Reimbursement	Gifted and Talented	Non-English Speaking Program	Buddy System Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	15,000	6,563	13,287	1,485	(12)
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	15,000	6,563	13,287	1,485	(12)
Disbursements:					
Current:					
Instruction	-	7,887	2,720	1,797	-
Support services	15,000	-	-	-	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	15,000	7,887	2,720	1,797	-
Excess (deficiency) of receipts over disbursements	-	(1,324)	10,567	(312)	(12)
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	-	(1,324)	10,567	(312)	(12)
Cash and investments - beginning	-	(2,627)	1	7,081	12
Cash and investments - ending	<u>\$ -</u>	<u>\$ (3,951)</u>	<u>\$ 10,568</u>	<u>\$ 6,769</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ (3,951)	\$ 10,568	\$ 6,769	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (3,951)	\$ 10,568	\$ 6,769	\$ -
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(3,951)	10,568	6,769	-
Total cash and investment fund balance - ending	\$ -	\$ (3,951)	\$ 10,568	\$ 6,769	\$ -

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

DELPHI COMMUNITY 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)

	Performance Based Awards	Professional Development Grant	Title I 2005 - 2006	Title I 2006 - 2007	Migrant Grant 2006 - 2007
Receipts:					
Local sources	\$ -	\$ 23,309	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	(159)	-	-	-	-
Federal sources	-	-	-	205,840	34,134
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	(159)	23,309	-	205,840	34,134
Disbursements:					
Current:					
Instruction	-	4,512	-	207,675	29,486
Support services	-	-	500	7,698	4,648
Community services	-	-	-	1,668	-
Debt services	-	-	-	-	-
Total disbursements	-	4,512	500	217,041	34,134
Excess (deficiency) of receipts over disbursements	(159)	18,797	(500)	(11,201)	-
Other financing sources (uses):					
Transfers in	-	-	-	16,432	-
Transfers out	-	-	(16,432)	-	-
Total other financing sources (uses)	-	-	(16,432)	16,432	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(159)	18,797	(16,932)	5,231	-
Cash and investments - beginning	159	3	16,932	(1)	-
Cash and investments - ending	\$ -	\$ 18,800	\$ -	\$ 5,230	\$ -
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 18,800	\$ -	\$ 5,230	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 18,800	\$ -	\$ 5,230	\$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	18,800	-	5,230	-
Total cash and investment fund balance - ending	\$ -	\$ 18,800	\$ -	\$ 5,230	\$ -

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

DELPHI COMMUNITY 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)

	Vocational Title II B	Drug-Free Grant 2006 - 2007	Drug-Free Title IV A 2005 - 2006	Title II Eisenhower 1999 - 2000	Title II Eisenhower Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	14,000	-	-	-	-
Federal sources	-	5,892	7,945	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
	<u>14,000</u>	<u>5,892</u>	<u>7,945</u>	<u>-</u>	<u>-</u>
Total receipts	14,000	5,892	7,945	-	-
Disbursements:					
Current:					
Instruction	12,022	1,433	-	5,021	11,325
Support services	-	4,459	6,185	-	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
	<u>12,022</u>	<u>5,892</u>	<u>6,185</u>	<u>5,021</u>	<u>11,325</u>
Total disbursements	12,022	5,892	6,185	5,021	11,325
Excess (deficiency) of receipts over disbursements	<u>1,978</u>	<u>-</u>	<u>1,760</u>	<u>(5,021)</u>	<u>(11,325)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,978</u>	<u>-</u>	<u>1,760</u>	<u>(5,021)</u>	<u>(11,325)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>(1,760)</u>	<u>2,967</u>	<u>9,513</u>
Cash and investments - ending	<u>\$ 1,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,054)</u>	<u>\$ (1,812)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,978	\$ -	\$ -	\$ (2,054)	\$ (1,812)
Restricted assets:					
Cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	\$ 1,978	\$ -	\$ -	\$ (2,054)	\$ (1,812)
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,978</u>	<u>-</u>	<u>-</u>	<u>(2,054)</u>	<u>(1,812)</u>
Total cash and investment fund balance - ending	\$ 1,978	\$ -	\$ -	\$ (2,054)	\$ (1,812)

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

DELPHI COMMUNITY 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 II Eisenhower 2000 - 2001	Tech Prep Career Majors	Tech Prep Career Maj (Brakel)	Grant Thru Grayson	Perkins Vocational Tech
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	23,435	-	-	(831)
Sale of property, adjustments and refunds	-	-	-	1,421	-
Total receipts	-	23,435	-	1,421	(831)
Disbursements:					
Current:					
Instruction	-	22,134	16,256	-	-
Support services	-	-	-	1,421	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	-	22,134	16,256	1,421	-
Excess (deficiency) of receipts over disbursements	-	1,301	(16,256)	-	(831)
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	-	1,301	(16,256)	-	(831)
Cash and investments - beginning	9	-	16,256	-	831
Cash and investments - ending	<u>\$ 9</u>	<u>\$ 1,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 9	\$ 1,301	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 9</u>	<u>\$ 1,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9	1,301	-	-	-
Total cash and investment fund balance - ending	<u>\$ 9</u>	<u>\$ 1,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

DELPHI COMMUNITY 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)

	Step IV-B Part II	USDA Ag Grant	1999 School to Work	2000 - 2001 School to Work	School to Work Brochures
Receipts:					
Local sources	\$ (2)	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	4,940	(76)	(1)	(134)
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	(2)	4,940	(76)	(1)	(134)
Disbursements:					
Current:					
Instruction	-	-	-	-	-
Support services	-	2,000	-	-	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	-	2,000	-	-	-
Excess (deficiency) of receipts over disbursements	(2)	2,940	(76)	(1)	(134)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2)	2,940	(76)	(1)	(134)
Cash and investments - beginning	2	-	76	1	134
Cash and investments - ending	\$ -	\$ 2,940	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 2,940	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,940	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,940	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 2,940	\$ -	\$ -	\$ -

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

DELPHI COMMUNITY 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 II Part A	Title II "D" Tech	WVEC Title III Limited English	Retirement Severance Bond Debt Service	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 123,180	\$ 176,704
Intermediate sources	-	-	-	-	488
State sources	-	-	-	-	91,459
Federal sources	68,366	-	34,515	-	384,025
Sale of property, adjustments and refunds	-	-	-	-	3,527
Total receipts	68,366	-	34,515	123,180	656,203
Disbursements:					
Current:					
Instruction	68,366	-	15,842	-	425,855
Support services	7,585	488	19,246	-	200,576
Community services	-	-	-	-	1,668
Debt services	-	-	-	193,973	193,973
Total disbursements	75,951	488	35,088	193,973	822,072
Excess (deficiency) of receipts over disbursements	(7,585)	(488)	(573)	(70,793)	(165,869)
Other financing sources (uses):					
Transfers in	-	-	-	-	16,432
Transfers out	-	-	-	-	(16,432)
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,585)	(488)	(573)	(70,793)	(165,869)
Cash and investments - beginning	7,585	10,673	2,519	4,628	(14,595)
Cash and investments - ending	\$ -	\$ 10,185	\$ 1,946	\$ (66,165)	\$ (180,464)
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 10,185	\$ 1,946	\$ -	\$ (114,299)
Restricted assets:					
Cash and investments	-	-	-	(66,165)	(66,165)
Total cash and investment assets - ending	\$ -	\$ 10,185	\$ 1,946	\$ (66,165)	\$ (180,464)
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ (66,165)	\$ (66,165)
Unrestricted	-	10,185	1,946	-	(114,299)
Total cash and investment fund balance - ending	\$ -	\$ 10,185	\$ 1,946	\$ (66,165)	\$ (180,464)

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

DELPHI COMMUNITY 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

	Textbook Rental	Education Plate Fee	Safe School Haven	Early Intervention Grant	School Intervention and Career	High Ability Grant
Receipts:						
Local sources	\$ 125,292	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	300	-	-	-	-
State sources	54,608	-	-	1,500	30,000	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	4,922	-	-	-	-	-
Total receipts	184,822	300	-	1,500	30,000	-
Disbursements:						
Current:						
Instruction	-	1,711	-	1,500	-	-
Support services	75,693	-	-	-	30,000	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	75,693	1,711	-	1,500	30,000	-
Excess (deficiency) of receipts over disbursements	109,129	(1,411)	-	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	947
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	947
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	109,129	(1,411)	-	-	-	(947)
Cash and investments - beginning	(170,529)	2,321	2,000	-	-	-
Cash and investments - ending	<u>\$ (61,400)</u>	<u>\$ 910</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (947)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (61,400)	\$ 910	\$ 2,000	\$ -	\$ -	\$ (947)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (61,400)</u>	<u>\$ 910</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (947)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(61,400)	910	2,000	-	-	(947)
Total cash and investment fund balance - ending	<u>\$ (61,400)</u>	<u>\$ 910</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (947)</u>

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

DELPHI COMMUNITY 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)

	Adult Education State Reimbursement	Gifted and Talented	Non-English Speaking Program	Professional Development Grant	Title I 2007 - 2008	Title I 2006 - 2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	5,660	-	14,273	-	-	-
Federal sources	-	-	-	-	240,266	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	5,660	-	14,273	6,000	240,266	-
Disbursements:						
Current:						
Instruction	6,913	11,515	21,461	12,824	226,710	-
Support services	-	-	-	-	11,460	-
Community services	-	-	-	-	1,561	-
Debt services	-	-	-	-	-	-
Total disbursements	6,913	11,515	21,461	12,824	239,731	-
Excess (deficiency) of receipts over disbursements	(1,253)	(11,515)	(7,188)	(6,824)	535	-
Other financing sources (uses):						
Transfers in	-	-	-	-	5,230	-
Transfers out	-	(947)	-	(11,976)	-	(5,230)
Total other financing sources (uses)	-	(947)	-	(11,976)	5,230	(5,230)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,253)	(10,568)	(7,188)	(18,800)	5,765	(5,230)
Cash and investments - beginning	(3,951)	10,568	6,769	18,800	-	5,230
Cash and investments - ending	<u>\$ (5,204)</u>	<u>\$ -</u>	<u>\$ (419)</u>	<u>\$ -</u>	<u>\$ 5,765</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (5,204)	\$ -	\$ (419)	\$ -	\$ 5,765	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (5,204)</u>	<u>\$ -</u>	<u>\$ (419)</u>	<u>\$ -</u>	<u>\$ 5,765</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(5,204)	-	(419)	-	5,765	-
Total cash and investment fund balance - ending	<u>\$ (5,204)</u>	<u>\$ -</u>	<u>\$ (419)</u>	<u>\$ -</u>	<u>\$ 5,765</u>	<u>\$ -</u>

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

DELPHI COMMUNITY 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 V Part A	Migrant Grant 2007 - 2008	Title II B Vocational	Vocational Title II B	Title IV Part A Drug-Free	Title II Eisenhower 1999 - 2000
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	5,330	40,000	-	-	5,719	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	5,330	40,000	-	-	5,719	-
Disbursements:						
Current:						
Instruction	-	34,980	-	5,301	-	(2,054)
Support services	5,330	5,020	-	-	5,719	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	5,330	40,000	-	5,301	5,719	(2,054)
Excess (deficiency) of receipts over disbursements	-	-	-	(5,301)	-	2,054
Other financing sources (uses):						
Transfers in	-	-	3,323	-	-	9
Transfers out	-	-	-	(3,323)	-	-
Total other financing sources (uses)	-	-	3,323	(3,323)	-	9
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(3,323)	(1,978)	-	2,063
Cash and investments - beginning	-	-	-	1,978	-	(2,054)
Cash and investments - ending	\$ -	\$ -	\$ (3,323)	\$ -	\$ -	\$ 9
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ (3,323)	\$ -	\$ -	\$ 9
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ (3,323)	\$ -	\$ -	\$ 9
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(3,323)	-	-	9
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (3,323)	\$ -	\$ -	\$ 9

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

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

	Title II Eisenhower Grant	Title II Eisenhower 2000 - 2001	Tech Prep Career Major 2007 - 2008	Tech Prep Career Majors	USDA Ag Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	40,159	6,728	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	-	40,159	6,728	-
Disbursements:					
Current:					
Instruction	(1,812)	-	34,242	8,029	-
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	(1,812)	-	34,242	8,029	-
Excess (deficiency) of receipts over disbursements	1,812	-	5,917	(1,301)	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(9)	-	-	-
Total other financing sources (uses)	-	(9)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,812	(9)	5,917	(1,301)	-
Cash and investments - beginning	(1,812)	9	-	1,301	2,940
Cash and investments - ending	\$ -	\$ -	\$ 5,917	\$ -	\$ 2,940
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ 5,917	\$ -	\$ 2,940
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 5,917	\$ -	\$ 2,940
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	5,917	-	2,940
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 5,917	\$ -	\$ 2,940

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

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

	Title II Part A Elementary and Secondary	Title II "D" Tech	WVEC Title III Limited English	Retirement Severance Bond Debt Service	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 194,254	\$ 325,546
Intermediate sources	-	-	-	-	300
State sources	-	-	-	-	106,041
Federal sources	69,685	-	12,692	-	420,579
Sale of property, adjustments and refunds	-	-	-	-	4,922
Total receipts	<u>69,685</u>	<u>-</u>	<u>12,692</u>	<u>194,254</u>	<u>857,388</u>
Disbursements:					
Current:					
Instruction	69,685	-	1,639	-	432,644
Support services	-	10,185	12,999	-	156,406
Community services	-	-	-	-	1,561
Debt services	-	-	-	188,752	188,752
Total disbursements	<u>69,685</u>	<u>10,185</u>	<u>14,638</u>	<u>188,752</u>	<u>779,363</u>
Excess (deficiency) of receipts over disbursements	-	(10,185)	(1,946)	5,502	78,025
Other financing sources (uses):					
Transfers in	-	-	-	-	9,509
Transfers out	-	-	-	-	(21,485)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,976)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(10,185)	(1,946)	5,502	66,049
Cash and investments - beginning	-	10,185	1,946	(66,165)	(180,464)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,663)</u>	<u>\$ (114,415)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (53,752)
Restricted assets:					
Cash and investments	-	-	-	(60,663)	(60,663)
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,663)</u>	<u>\$ (114,415)</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ (60,663)	\$ (60,663)
Unrestricted	-	-	-	-	(53,752)
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,663)</u>	<u>\$ (114,415)</u>

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

DELPHI COMMUNITY 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>Scholarships</u>	<u>Lavy Windows Donation</u>	<u>County Tobacco</u>	<u>Indiana Student Achievement</u>	<u>CC DUCC Donation</u>	<u>Totals</u>
Additions:						
Contributions:						
Other	\$ 2,000	\$ -	\$ (4)	\$ 1,500	\$ 4,000	\$ 7,496
Investment earnings:						
Interest	3,487	-	-	-	-	3,487
Total additions	<u>5,487</u>	<u>-</u>	<u>(4)</u>	<u>1,500</u>	<u>4,000</u>	<u>10,983</u>
Deductions:						
Administrative and general	3,403	77	-	1,567	4,000	9,047
Excess (deficiency) of total additions over total deductions	2,084	(77)	(4)	(67)	-	1,936
Cash and investment fund balance - beginning	89,706	77	4	1,206	-	90,993
Cash and investments - June 30	<u>\$ 91,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,139</u>	<u>\$ -</u>	<u>\$ 92,929</u>
Net assets:						
Cash and investments	\$ 91,790	\$ -	\$ -	\$ 1,139	\$ -	\$ 92,929
Total net assets - cash and investment basis held in trust	<u>\$ 91,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,139</u>	<u>\$ -</u>	<u>\$ 92,929</u>

DELPHI COMMUNITY 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

	Scholarships	Indiana Student Achievement	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 2,900	\$ 2,900
Investment earnings:			
Interest	2,975	-	2,975
Total additions	2,975	2,900	5,875
Deductions:			
Administrative and general	580	-	580
Excess of total additions over total deductions	2,395	2,900	5,295
Cash and investment fund balance - beginning	91,790	1,139	92,929
Cash and investments - June 30	\$ 94,185	\$ 4,039	\$ 98,224
Net assets:			
Cash and investments	\$ 94,185	\$ 4,039	\$ 98,224
Total net assets - cash and investment basis held in trust	\$ 94,185	\$ 4,039	\$ 98,224

DELPHI COMMUNITY 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 and Buildings	\$ 9,799,056
Improvements other than buildings	1,014,268
Machinery and equipment	<u>4,699,091</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 15,512,415</u></u>

DELPHI COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended June 30, 2008

Delphi Community School Corporation has entered into the following long-term debt:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Delphi Community Multi-School Building Corporation	\$ 3,795,000	\$ 780,000
Siemen's Energy Conversation	630,000	415,000
Notes and loans payable	2,000,000	2,000,000
Bonds payable:		
General obligation bonds:		
2005 renovation bonds	320,000	320,000
2005 pension bonds	<u>2,040,000</u>	<u>80,000</u>
Total governmental activities long-term debt	<u>\$ 8,785,000</u>	<u>\$ 3,595,000</u>

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of several funds were overdrawn at June 30, 2007 and 2008, as follows:

Fund	2007	2008
General	\$ 501,172	\$ -
Transportation Operating	169,080	106,288
Debt Service	601,659	-
Capital Projects	69,527	358,550
Textbook Rental	170,529	61,400
Adult Education State Reimbursement	3,951	5,204
Title II Eisenhower 1999 - 2000	2,054	-
Title II Eisenhower Grant	1,812	-
Retirement Severance Bond Debt Service	66,165	60,663
High Ability Grant	-	947
Non-English Speaking Program	-	419
Title II B Vocational	-	3,323

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FRINGE BENEFITS

Several administrators have mileage stipends included in their contracts, these stipends are paid bi-annually by claim and are not run through the corporation payroll process, nor is a Form 1099 issued for these amounts. These stipends are a fixed amount and are not based on actual miles driven. Also, an interim superintendent was being paid mileage for commuting between his home and the corporation office; this mileage was paid by claim and was not run through payroll nor was a Form 1099 issued for these payments.

Several administrators, transportation employees, and technology employees are also being compensated at flat rates for cell phones. These payments are also paid bi-annually by claim and are not run through the corporation payroll process, nor is a Form 1099 issued for these amounts.

An article published in the March 2000 edition of the School Administrator (Volume 149) states the following:

Official Opinion No. 74 of the Indiana Attorney General, issued in 1953, concluded there is no statutory authority for payment of a fixed amount of travel allowance to public employees and that a public employer may not reimburse an employee for travel expense which is, in fact, not incurred by the employee. Also, there is no authority for a travel allowance to be paid without regard to the number of miles, if any, actually traveled.

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Therefore, the State Board of Accounts is of the audit position that a fixed amount for travel allowance should not be paid. The prescribed method is to reimburse the employee for travel on the basis of a claim filed on Mileage Claim, Form No. 101, for reimbursement at a rate per mile as established by the local board of school trustees for all employees of the corporation.

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

OVERPAYMENT ON CONTRACT

An interim superintendent contract was signed in October of 2007, by Steve Sailor, Interim Superintendent and Robert Resler, President of the School Board of Delphi Community School Corporation. The contract covers the period October 1, 2007 to December 19, 2007, and states the rate of pay will be \$350 per day plus mileage at the rate of \$.485 per mile. The contract also estimates the number of work days for this period to be 25 days. Mr. Resler issued a directive to the Corporation Treasurer and Assistant Treasurer on December 6, 2007, that stated Mr. Sailor should be paid for the balance of his contract and mileage for December 7 to return items and pick up personal items from the Central office. Also on December 6, 2007, Mr. Resler issued a notice to the entire corporation staff that Mr. Sailor will not be returning to work. Mr. Sailor was paid an additional \$1,400 (4 days) on December 7, 2007, based on the original estimate of 25 days included in the contract. The mileage claims, turned in by Mr. Sailor, only show that mileage was claimed for 21 days. Based on the last day of work evidenced by the notice from Mr. Resler, Mr. Sailor was overpaid for four (4) days in the amount of \$1,400.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSPORTATION FUND - RECORD OF HOURS WORKED

Several employees, including the Superintendent, Treasurer, Assistant Treasurer, Maintenance Director, High School Assistant Principal, and the Superintendent's Secretary, had portions of their salaries paid from the Transportation Fund. A record of hours worked for each employee was not presented for audit. A similar comment was contained in the prior two audit reports.

IC 5-11-9-4 requires in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

Some positions have been formally established by boards of school trustees, through job description, duties assigned, title, salary schedules, etc., as transportation related (for example, Assistant Superintendent-Transportation Director). We will not take audit exception, in these situations (other than positions excluded by statute), to direct transportation related employees having direct transportation

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

related expenses being paid from the transportation fund if a cost allocation system based upon auditable statistics is established tracking costs attributable to the transportation program and therefore payable from the transportation fund. The use of time cards, time logs, or other means of accumulating auditable statistics upon which to base costs would have to be maintained. The time spent on such programs by persons serving in more than one program area must be specific if costs are to be separated. These costs cannot be accurately maintained on a percentage basis and requires the use of one of the methods mentioned above to provide auditable statistics and should cover all program areas in which a person serves or for which the service, materials, supplies, etc., are provided. (The School Administrator and Uniform Compliance Guidelines, Volume 157)

The Conclusion of Attorney General Advisory Number 96-78 states in part: "The school transportation fund was established to cover costs which are attributable to transportation. Indiana Code 21-2-11.5-2(b)(1) through (b)(7) (now 20-40-6-6) set forth the costs which may be attributed to transportation. According to subsection (b)(1), the salaries of "transportation-related" employees may be paid from this fund. As the school superintendent and school corporation treasurer do not appear to be positions that are transportation-related, payment from the transportation fund of the salaries attached to these positions would be improper." (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

CREDIT CARDS - APPLIES TO CORPORATION AND HIGH SCHOOL

School administrators are using credit cards for school business. The purposes for which the credit cards may be used are not specifically stated in the resolution. 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., is not being maintained by the designated school administrators. Some payments were made on the basis of a statement only, not all receipts or invoices were available with the accounts payable voucher to verify the validity of the purchases. Without proper supporting documentation, we were unable to determine if any of the purchases were personal in nature.

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.
- (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.

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (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) (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 Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SALES TAX

Sales tax was paid for some purchases using the school issued credit cards.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EDUCATIONAL EXPENDITURES - APPLIES TO HIGH SCHOOL

Funds, in the amount of \$13,389.77, were disbursed from the Extra-Curricular Athletic Fund for Tech Prep Grant equipment during the 2007-2008 school year. There was no documentation that the Delphi School Board approved the disbursement before the equipment was purchased. The School Corporation later received a reimbursement from the Tech Prep Grant for the equipment and, subsequently, reimbursed the Extra-Curricular Athletic Fund.

IC 20-26-5-4 states in part: "In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the . . . specific powers . . . to acquire personal property or an interest in personal property as the governing body considers necessary for school purposes . . ."Therefore, extra-curricular equipment purchases should be approved prior to purchase by the Board of School Trustees.

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Extra-curricular activities are defined as athletic, social or other school functions, the cost of which is not paid from public funds. Note that this statutory definition does not include any curricular or educational functions. All educational functions are the specific responsibility of the governing body (board of school trustees, etc.) of the school corporation acting on its behalf (IC 20-26-5-4), including providing the facilities and equipment therefore. All monies received for educational purposes, including those related to educational programs or facilities must be receipted to school corporation funds. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

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 DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

Compliance

We have audited the compliance of the Delphi Community 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.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

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

STATE BOARD OF ACCOUNTS

April 8, 2009

DELPHI CONSOLIDATED 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>				
Direct Grant				
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226	2007-02728	\$ 2,000	\$ -
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		59,560	60,916
National School Lunch Program	10.555		246,134	269,813
Special Milk Program for Children	10.556		1,358	-
Total for child nutrition cluster			<u>307,052</u>	<u>330,729</u>
Total for federal grantor agency			<u>309,052</u>	<u>330,729</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
		06-0755	500	-
		07-0755	217,041	-
		08-0755	-	239,732
Total for program			<u>217,541</u>	<u>239,732</u>
Migrant Education - State Grant Program	84.011			
		FY 06-07/RM-17	34,134	-
		FY 07-08/RM-1	-	40,000
Total for program			<u>34,134</u>	<u>40,000</u>
Pass-Through Twin Lakes School Corporation				
Vocational Education - Basic Grants to States	84.048			
		07-0755	12,022	1,978
Total for program			<u>12,022</u>	<u>1,978</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		05-0755	6,185	-
		06-0755	5,892	-
		07-0755	-	5,719
Total for program			<u>12,077</u>	<u>5,719</u>
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education	84.243			
		TP-5-61 (DWD)	40,642	8,029
		TP-7-61 (DWD)	-	34,242
Total for program			<u>40,642</u>	<u>42,271</u>
Pass-Through Indiana Department of Education				
Eisenhower Professional Development State Grants	84.281			
		99-241	5,021	-
		98-99	11,325	-
Total for program			<u>16,346</u>	<u>-</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
		07-031	-	5,330
Total for program			<u>-</u>	<u>5,330</u>
Education Technology State Grants	84.318			
		2004-05	488	8,102
		2005-06	-	2,083
Total for program			<u>488</u>	<u>10,185</u>
English Language Acquisition Grants	84.365			
		FY 06	2,509	-
		FY 07	32,569	1,946
		FY 08	-	12,692
Total for program			<u>35,078</u>	<u>14,638</u>
Improving Teacher Quality State Grants	84.367			
		05-219	7,586	-
		06-160	68,366	-
		07-161	-	69,685
Total for program			<u>75,952</u>	<u>69,685</u>
Total for federal grantor agency			<u>444,280</u>	<u>429,538</u>
Total federal awards expended			<u>\$ 753,332</u>	<u>\$ 760,267</u>

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

DELPHI COMMUNITY 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 Delphi Community 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.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006-2007</u>	<u>2007-2008</u>
School Breakfast Program	11.553	\$ 4,267	\$ 5,565
National School Lunch Program	11.555	17,242	24,650

DELPHI COMMUNITY 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
----------------	------------------------------------

Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DELPHI COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

DELPHI COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 8, 2009, with Ralph Walker, Superintendent of Schools; Sherry Handlin, Treasurer; Robert Resler, President of the School Board; and Deborah Farrell, Assistant Treasurer. The officials concurred with our audit findings.