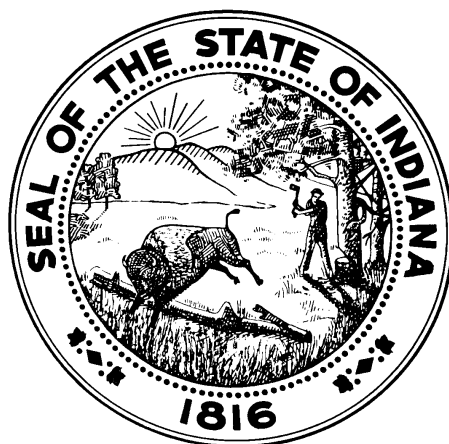


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

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



FILED
06/30/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brenda Stipp	07-01-06 to 06-30-09
Superintendent of Schools	Timothy Ogle	01-01-06 to 06-30-09
President of the School Board	Gary Brinkman Kimberly Woodward	07-01-06 to 06-30-07 07-01-07 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 AVON COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon 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 March 26, 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, as listed in the Table of Contents, 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

March 26, 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 AVON COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avon 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 March 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

March 26, 2009

AVON 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>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 30,102,576	\$ -	\$ 193,899	\$ (29,908,677)
Support services	28,071,651	2,262,833	581,049	(25,227,769)
Community services	433,324	-	-	(433,324)
Nonprogrammed charges	712,361	-	-	(712,361)
Debt service	13,866,567	-	-	(13,866,567)
 Total government	 <u>\$ 73,186,479</u>	 <u>\$ 2,262,833</u>	 <u>\$ 774,948</u>	 <u>(70,148,698)</u>
 General receipts:				
Property taxes				38,426,817
Other local sources				6,820,474
State aid				25,014,247
Grants and contributions not restricted to specific programs				1,775,612
Sale of property, adjustments, and refunds				120,969
Investment earnings				735,683
 Total general receipts				 <u>72,893,802</u>
 Change in net assets				 2,745,104
 Net assets - beginning				 <u>16,791,160</u>
 Net assets - ending				 <u>\$ 19,536,264</u>
 <u>Assets</u>				
Cash and investments				\$ 18,571,327
Restricted assets:				
Cash and investments				<u>964,937</u>
 Total assets				 <u>\$ 19,536,264</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 964,937
Unrestricted				<u>18,571,327</u>
 Total net assets				 <u>\$ 19,536,264</u>

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

AVON 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	\$ 31,468,273	\$ -	\$ 314,414	\$ (31,153,859)
Support services	32,143,218	2,465,126	726,700	(28,951,392)
Community services	434,177	-	-	(434,177)
Nonprogrammed charges	1,044,084	-	-	(1,044,084)
Debt service	11,946,805	-	-	(11,946,805)
Total government	<u>\$ 77,036,557</u>	<u>\$ 2,465,126</u>	<u>\$ 1,041,114</u>	<u>(73,530,317)</u>
General receipts:				
Property taxes				28,174,594
Other local sources				8,594,942
State aid				25,553,522
Grants and contributions not restricted to specific programs				2,672,658
Sale of property, adjustments, and refunds				190,928
Investment earnings				590,926
Total general receipts				<u>65,777,570</u>
Change in net assets				(7,752,747)
Net assets - beginning				<u>19,536,264</u>
Net assets - ending				<u>\$ 11,783,517</u>
Assets				
Cash and investments				\$ 10,244,294
Restricted assets:				
Cash and investments				<u>1,539,223</u>
Total assets				<u>\$ 11,783,517</u>
Net Assets				
Restricted for:				
Debt service				\$ 1,539,223
Unrestricted				<u>10,244,294</u>
Total net assets				<u>\$ 11,783,517</u>

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

AVON 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	Local Rain Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 18,317,045	\$ 4,960,342	\$ -	\$ 13,988,971	\$ 6,401,006	\$ 1,027,006	\$ 3,446,843	\$ 48,141,213
Intermediate sources	103,542	-	-	-	-	-	1,050	104,592
State sources	25,183,045	-	-	-	-	-	334,335	25,517,380
Federal sources	-	-	-	-	-	-	2,047,427	2,047,427
Sale of property, adjustments and refunds	-	117,368	-	-	2,669	-	932	120,969
Interfund loans	6,028,000	-	-	-	-	-	1,050,000	7,078,000
Total receipts	49,631,632	5,077,710	-	13,988,971	6,403,675	1,027,006	6,880,587	83,009,581
Disbursements:								
Current:								
Instruction	28,299,531	-	-	-	-	-	1,803,044	30,102,575
Support services	11,730,906	4,930,465	-	-	7,319,731	906,000	3,184,548	28,071,650
Community services	431,559	-	-	-	-	-	1,765	433,324
Nonprogrammed charges	712,361	-	-	-	-	-	-	712,361
Debt services	-	-	-	12,919,712	-	-	946,855	13,866,567
Interfund loans	6,050,000	-	-	-	-	-	1,028,000	7,078,000
Total disbursements	47,224,357	4,930,465	-	12,919,712	7,319,731	906,000	6,964,212	80,264,477
Excess (deficiency) of receipts over disbursements	2,407,275	147,245	-	1,069,259	(916,056)	121,006	(83,625)	2,745,104
Other financing sources (uses):								
Transfers in	116,979	139,213	-	-	-	-	79,405	335,597
Transfers out	-	-	-	(200,980)	-	-	(134,617)	(335,597)
Total other financing sources (uses)	116,979	139,213	-	(200,980)	-	-	(55,212)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,524,254	286,458	-	868,279	(916,056)	121,006	(138,837)	2,745,104
Cash and investments - beginning	8,437,729	1,008,911	1,900,000	77,943	2,103,412	848,962	2,414,203	16,791,160
Cash and investments - ending	\$ 10,961,983	\$ 1,295,369	\$ 1,900,000	\$ 946,222	\$ 1,187,356	\$ 969,968	\$ 2,275,366	\$ 19,536,264
Cash and Investment Assets - Ending								
Cash and investments	\$ 10,961,983	\$ 1,295,369	\$ 1,900,000	\$ -	\$ 1,187,356	\$ 969,968	\$ 2,256,651	\$ 18,571,327
Restricted assets:								
Cash and investments	-	-	-	946,222	-	-	18,715	964,937
Total cash and investment assets - ending	\$ 10,961,983	\$ 1,295,369	\$ 1,900,000	\$ 946,222	\$ 1,187,356	\$ 969,968	\$ 2,275,366	\$ 19,536,264
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 946,222	\$ -	\$ -	\$ 18,715	\$ 964,937
Unrestricted	10,961,983	1,295,369	1,900,000	-	1,187,356	969,968	2,256,651	18,571,327
Total cash and investment fund balance - ending	\$ 10,961,983	\$ 1,295,369	\$ 1,900,000	\$ 946,222	\$ 1,187,356	\$ 969,968	\$ 2,275,366	\$ 19,536,264

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

AVON 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	Local Rain Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 14,559,998	\$ 3,786,479	\$ -	\$ 11,808,610	\$ 4,849,193	\$ 835,642	\$ 3,959,364	\$ 39,799,286
Intermediate sources	26,301	-	-	-	-	-	-	26,301
State sources	26,012,060	-	-	-	-	-	472,118	26,484,178
Federal sources	-	-	-	-	-	-	2,783,116	2,783,116
Sale of property, adjustments and refunds	1,698	148,399	-	-	2,992	36,451	1,389	190,929
Interfund loans	6,150,000	1,000,000	-	-	3,000,000	-	1,300,000	11,450,000
Total receipts	46,750,057	4,934,878	-	11,808,610	7,852,185	872,093	8,515,987	80,733,810
Disbursements:								
Current:								
Instruction	28,783,748	-	-	-	-	-	2,684,525	31,468,273
Support services	15,275,216	5,811,600	-	-	4,984,209	1,074,700	4,997,493	32,143,218
Community services	430,842	-	-	-	-	-	3,335	434,177
Nonprogrammed charges	1,044,084	-	-	-	-	-	-	1,044,084
Debt services	-	-	-	11,472,701	-	-	474,104	11,946,805
Interfund loans	6,300,000	-	-	-	4,000,000	-	1,150,000	11,450,000
Total disbursements	51,833,890	5,811,600	-	11,472,701	8,984,209	1,074,700	9,309,457	88,486,557
Excess (deficiency) of receipts over disbursements	(5,083,833)	(876,722)	-	335,909	(1,132,024)	(202,607)	(793,470)	(7,752,747)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	24,867	24,867
Transfers out	-	-	-	-	-	-	(24,867)	(24,867)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,083,833)	(876,722)	-	335,909	(1,132,024)	(202,607)	(793,470)	(7,752,747)
Cash and investments - beginning	10,961,983	1,295,369	1,900,000	946,222	1,187,356	969,968	2,275,366	19,536,264
Cash and investments - ending	<u>\$ 5,878,150</u>	<u>\$ 418,647</u>	<u>\$ 1,900,000</u>	<u>\$ 1,282,131</u>	<u>\$ 55,332</u>	<u>\$ 767,361</u>	<u>\$ 1,481,896</u>	<u>\$ 11,783,517</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 5,878,150	\$ 418,647	\$ 1,900,000	\$ -	\$ 55,332	\$ 767,361	\$ 1,224,804	\$ 10,244,294
Restricted assets:								
Cash and investments	-	-	-	1,282,131	-	-	257,092	1,539,223
Total cash and investment assets - ending	\$ 5,878,150	\$ 418,647	\$ 1,900,000	\$ 1,282,131	\$ 55,332	\$ 767,361	\$ 1,481,896	\$ 11,783,517
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 1,282,131	\$ -	\$ -	\$ 257,092	\$ 1,539,223
Unrestricted	5,878,150	418,647	1,900,000	-	55,332	767,361	1,224,804	10,244,294
Total cash and investment fund balance - ending	\$ 5,878,150	\$ 418,647	\$ 1,900,000	\$ 1,282,131	\$ 55,332	\$ 767,361	\$ 1,481,896	\$ 11,783,517

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 70,583	
Total contributions	-	70,583	
Investment earnings:			
Interest	12,956	611	
Total additions	12,956	71,194	
Deductions:			
Benefits			
Administrative and general	353,694	-	
Total deductions	-	26,869	
Total deductions	353,694	26,869	
Excess (deficiency) of total additions over total deductions	(340,738)	44,325	
Cash and investment fund balance - beginning	1,680,789	29,089	
Cash and investment fund balance - ending	\$ 1,340,051	\$ 73,414	\$ 120,031
Net assets:			
Cash and investments	\$ 1,340,051	\$ 73,414	
Total net assets - cash and investment basis held in trust	\$ 1,340,051	\$ 73,414	

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

AVON 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	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 12,188	
Total contributions	-	12,188	
Investment earnings:			
Interest	12,799	953	
Total additions	12,799	13,141	
Deductions:			
Benefits			
Administrative and general	281,578	-	
	-	59,126	
Total deductions	281,578	59,126	
Deficiency of total additions over total deductions	(268,779)	(45,985)	
Cash and investment fund balance - beginning	1,340,051	73,414	
Cash and investment fund balance - ending	\$ 1,071,272	\$ 27,429	\$ 989,613
Net assets:			
Cash and investments	\$ 1,071,272	\$ 27,429	
Total net assets - cash and investment basis held in trust	\$ 1,071,272	\$ 27,429	

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

AVON 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: Avon 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 Metropolitan School District of Wayne Township, Brownsburg Community School Corporation, Monroe-Gregg School District, Eagle-Union School Corporation, Danville Community School Corporation, Mooresville Consolidated Schools, Plainfield Community School Corporation, School Town of Speedway, and Metropolitan School District of Pike Township in a joint venture to operate West Central Joint Services (Co-op) which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit their share of the cost of the Co-op based on the number of students in the Co-op. The Co-op uses any surplus resources to undertake special projects for the School Corporation. The Co-op's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Co-op can be obtained from Metropolitan School District of Wayne Township.

The School Corporation is a participant with Metropolitan School District of Wayne Township, Brownsburg Community School Corporation, Monroe-Gregg School District, Metropolitan School District of Decatur Township, Northwest Hendricks Community School Corporation, Danville Community School Corporation, Mooresville Consolidated Schools, Plainfield Community School Corporation, School Town of Speedway, and Metropolitan School District of Pike Township in a joint venture to operate Area Vocational Education (Co-op) which was created to provide vocational education. The School Corporation is obligated by contract to remit their share of the cost of the Co-op based on the number of students in the Co-op. The Co-op uses any surplus resources to undertake special projects for the School Corporation. The Co-op's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Co-op can be obtained from Metropolitan School District of Wayne Township.

The School Corporation is a participant with Beech Grove City Schools, Carmel Clay Schools, Center Grove Community School Corporation, Clark Pleasant Community School Corporation, Franklin Township Community School Corporation, Hamilton Southeastern Schools, Indianapolis

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Public Schools, Lebanon Community School Corporation, Lebanon Community School Corporation, Metropolitan School District of Decatur Township, Metropolitan School District of Lawrence Township, Metropolitan School District of Perry Township in a joint venture to operate the Central Indiana Educational Service Center for the purpose as defined in IC 20-1-11.3. Complete financial statements for the Education Service Center can be obtained from Central Indiana Educational Service Center, 6321 LaPas Trail, Indianapolis, IN 46268.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints one board member of the Avon-Washington Township Public Library.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School Corporation has no business-type activities.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The rainy day fund is accounts for transfers of unused and unencumbered funds in accordance with 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.

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Additionally, the School Corporation reports the following fund types:

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

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

Agency funds account for assets held by the School Corporation as an agent for payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

- 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.

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

For the years ended June 30, 2007 and 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2006	2007
Debt Service	\$ -	\$ 970,040
School Pension Debt Service	14,370	-
Totals	\$ 14,370	\$ 970,040

These disbursements were funded by available fund balance.

AVON COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$15,369,597.

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:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
Debt Service	Transportation Operating	\$ 139,213	\$ -
Debt Service	Other governmental funds	61,767	-
Other governmental funds	General Fund	116,979	-
Other governmental funds	Other governmental funds	<u>17,638</u>	<u>24,867</u>
Totals		<u>\$ 335,597</u>	<u>\$ 24,867</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Fund reclassifications represent the reclassification of governmental funds to private-purpose trust funds.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2006</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2006</u>
Other governmental funds	\$ 2,427,072	\$ (12,869)	\$ 2,414,203
Fiducary Funds - Private-Purpose Trust	16,220	12,869	29,089

AVON 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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; 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 Avon 2000 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year ended June 30, 2008, totaled \$ 11,333,112.

C. Subsequent Events

On December 31, 2008, the Corporation received a Tax Anticipation Warrant in the amount of \$4,700,000. The warrant matured on March 31, 2009, and accrued interest at 4.47%.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation once provided early retirement benefits up to the age of full social security retirement as authorized by Indiana Code 5-10-8, to all administrative employees whom retired from the School Corporation whose age plus their number of years of service added up to eighty five or whom were at least sixty years old with twenty years of experience. Participants must also have been age 55 or older. There were additional requirements as well: Teachers must have spent their last fifteen years with Avon School Corporation and Administrators must have spent their last ten years with Avon School Corporation. The maximum number of years a retiree may have participated in the program was seven years. Currently, twenty four retirees whom originally met these eligibility requirements are still participating in the program. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$264,316 were recognized for postemployment early retirement benefits. The early retirement benefit program is no longer offered to current employees.

In addition to the pension benefits described below, the School Corporation once provided post-employment health benefits up to age sixty five, as authorized by Indiana Code 5-10-8, to all administrative employees whom retired from the School Corporation whose age plus their number of years of service add up to eighty five. Currently, seven retirees whom originally met these eligibility requirements are still participating in the program. The retiree pays 100% of these post-employment benefits. The retiree may pay additional amounts to cover his or her family. The health insurance benefit program is no longer offered to current employees.

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plan

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy 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	\$ 568,295
Interest on net pension obligation	(39,740)
Adjustment to annual required contribution	45,287
Annual pension cost	573,842
Contributions made	595,863
Decrease in net pension obligation	(22,021)
Net pension obligation, beginning of year	(548,137)
Net pension obligation, end of year	\$ (570,158)

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	7.25%
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

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 389,277	119%	\$ (504,110)
	06-30-06	483,351	109%	(548,137)
	06-30-07	573,842	104%	(570,158)

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

AVON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Funding Policy and Annual Pension Costs

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

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, 2006, 2007, and 2008, were \$1,555,169, \$1,058,663, and \$1,303,612, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

AVON 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 (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 4,653,223	\$ 5,820,678	\$ (1,167,455)	80%	\$ 7,446,554	(16%)
07-01-06	5,289,040	6,027,902	(738,862)	88%	8,216,660	(9%)
07-01-07	6,229,918	7,041,938	(812,020)	88%	9,077,364	(9%)

AVON 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

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Receipts:					
Local sources	\$ 45,737	\$ 1,963,023	\$ 481,849	\$ -	\$ -
Intermediate sources	-	-	-	-	1,050
State sources	216,889	43,317	49,028	-	-
Federal sources	-	488,704	-	-	-
Sale of property, adjustments and refunds	-	932	-	-	-
Interfund loans	50,000	-	1,000,000	-	-
	<u>312,626</u>	<u>2,495,976</u>	<u>1,530,877</u>	<u>-</u>	<u>1,050</u>
Disbursements:					
Current:					
Instruction	301,469	-	-	-	-
Support services	-	2,492,743	585,699	-	26,925
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Interfund loans	-	-	1,000,000	-	-
	<u>301,469</u>	<u>2,492,743</u>	<u>1,585,699</u>	<u>-</u>	<u>26,925</u>
Excess (deficiency) of receipts over disbursements	<u>11,157</u>	<u>3,233</u>	<u>(54,822)</u>	<u>-</u>	<u>(25,875)</u>
Other financing sources (uses):					
Transfers in	-	-	25,767	-	-
Transfers out	-	-	-	(116,979)	-
	<u>-</u>	<u>-</u>	<u>25,767</u>	<u>(116,979)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,157	3,233	(29,055)	(116,979)	(25,875)
Cash and investments - beginning	<u>13,762</u>	<u>537,617</u>	<u>922,064</u>	<u>116,979</u>	<u>25,875</u>
Cash and investments - ending	<u>\$ 24,919</u>	<u>\$ 540,850</u>	<u>\$ 893,009</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 24,919	\$ 540,850	\$ 893,009	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 24,919</u>	<u>\$ 540,850</u>	<u>\$ 893,009</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	24,919	540,850	893,009	-	-
Total cash and investment fund balance - ending	<u>\$ 24,919</u>	<u>\$ 540,850</u>	<u>\$ 893,009</u>	<u>\$ -</u>	<u>\$ -</u>

AVON 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)

	Gifted/Talented 2006-2007	Gifted/Talented 2005-2006	Cultural Arts	Non English Speaking Grant	Title I 2005-2006
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	22,248	-	-	2,853	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>22,248</u>	<u>-</u>	<u>-</u>	<u>2,853</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	14,944	4,686	-	2,853	19,076
Support services	-	-	2,000	-	-
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>14,944</u>	<u>4,686</u>	<u>2,000</u>	<u>2,853</u>	<u>19,076</u>
Excess (deficiency) of receipts over disbursements	<u>7,304</u>	<u>(4,686)</u>	<u>(2,000)</u>	<u>-</u>	<u>(19,076)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(9,138)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,138)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,138)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,304	(4,686)	(2,000)	-	(28,214)
Cash and investments - beginning	<u>-</u>	<u>4,686</u>	<u>2,000</u>	<u>-</u>	<u>28,214</u>
Cash and investments - ending	<u>\$ 7,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 7,304	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 7,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,304	-	-	-	-
	<u>7,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 7,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AVON 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 I 2006-2007	Title V, Part A 2006-2007	RTI GRANT	Special Ed Grant 06-07	EPICC Grant 08-446 Part B Literacy
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	318,338	17,476	-	805,586	260,000
Sale of property, adjustments and refunds	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>318,338</u>	<u>17,476</u>	<u>-</u>	<u>805,586</u>	<u>260,000</u>
Disbursements:					
Current:					
Instruction	277,807	24,882	11,225	805,586	199,977
Support services	12,891	-	-	-	930
Community services	1,765	-	-	-	-
Debt services	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>292,463</u>	<u>24,882</u>	<u>11,225</u>	<u>805,586</u>	<u>200,907</u>
Excess (deficiency) of receipts over disbursements	<u>25,875</u>	<u>(7,406)</u>	<u>(11,225)</u>	<u>-</u>	<u>59,093</u>
Other financing sources (uses):					
Transfers in	9,138	8,500	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>9,138</u>	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,013	1,094	(11,225)	-	59,093
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>11,225</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 35,013</u>	<u>\$ 1,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,093</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 35,013	\$ 1,094	\$ -	\$ -	\$ 59,093
Restricted assets:					
Cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 35,013</u>	<u>\$ 1,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,093</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	35,013	1,094	-	-	59,093
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 35,013</u>	<u>\$ 1,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,093</u>

AVON 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)

	Regional Library Meeting Grant	Title IV, Part A Drug Free 06-07	Title IV, Part A Safe/Drug Free	Title IV, Part A Drug Free 2004-2005	Improving Drug Quality Teacher Quality Title II, Part A
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	1,800	8,000	18,969	-	96,399
Sale of property, adjustments and refunds	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>1,800</u>	<u>8,000</u>	<u>18,969</u>	<u>-</u>	<u>96,399</u>
Disbursements:					
Current:					
Instruction	-	7,439	7,565	3,508	86,719
Support services	700	-	-	-	15,000
Community services	-	-	-	-	-
Debt services	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>700</u>	<u>7,439</u>	<u>7,565</u>	<u>3,508</u>	<u>101,719</u>
Excess (deficiency) of receipts over disbursements	<u>1,100</u>	<u>561</u>	<u>11,404</u>	<u>(3,508)</u>	<u>(5,320)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(8,500)	-	-
	<u>-</u>	<u>-</u>	<u>(8,500)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(8,500)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,100</u>	<u>561</u>	<u>2,904</u>	<u>(3,508)</u>	<u>(5,320)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,508</u>	<u>9,414</u>
Cash and investments - ending	<u>\$ 1,100</u>	<u>\$ 561</u>	<u>\$ 2,904</u>	<u>\$ -</u>	<u>\$ 4,094</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 1,100	\$ 561	\$ 2,904	\$ -	\$ 4,094
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,100</u>	<u>\$ 561</u>	<u>\$ 2,904</u>	<u>\$ -</u>	<u>\$ 4,094</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,100</u>	<u>561</u>	<u>2,904</u>	<u>-</u>	<u>4,094</u>
Total cash and investment fund balance - ending	<u>\$ 1,100</u>	<u>\$ 561</u>	<u>\$ 2,904</u>	<u>\$ -</u>	<u>\$ 4,094</u>

AVON 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)

	Improving Teacher Quality - Enhanced Education	Title III English Proficiency Migrant	Retirement/ Severance Bond	Construction	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 956,234	\$ -	\$ 3,446,843
Intermediate sources	-	-	-	-	1,050
State sources	-	-	-	-	334,335
Federal sources	-	32,155	-	-	2,047,427
Sale of property, adjustments and refunds	-	-	-	-	932
Interfund loans	-	-	-	-	1,050,000
Total receipts	-	32,155	956,234	-	6,880,587
Disbursements:					
Current:					
Instruction	258	35,050	-	-	1,803,044
Support services	3,363	-	-	44,297	3,184,548
Community services	-	-	-	-	1,765
Debt services	-	-	946,855	-	946,855
Interfund loans	-	-	28,000	-	1,028,000
Total disbursements	3,621	35,050	974,855	44,297	6,964,212
Excess (deficiency) of receipts over disbursements	(3,621)	(2,895)	(18,621)	(44,297)	(83,625)
Other financing sources (uses):					
Transfers in	-	-	36,000	-	79,405
Transfers out	-	-	-	-	(134,617)
Total other financing sources (uses)	-	-	36,000	-	(55,212)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,621)	(2,895)	17,379	(44,297)	(138,837)
Cash and investments - beginning	3,621	13,013	1,336	720,889	2,414,203
Cash and investments - ending	\$ -	\$ 10,118	\$ 18,715	\$ 676,592	\$ 2,275,366
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 10,118	\$ -	\$ 676,592	\$ 2,256,651
Restricted assets:					
Cash and investments	-	-	18,715	-	18,715
Total cash and investment assets - ending	\$ -	\$ 10,118	\$ 18,715	\$ 676,592	\$ 2,275,366
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 18,715	\$ -	\$ 18,715
Unrestricted	-	10,118	-	676,592	2,256,651
Total cash and investment fund balance - ending	\$ -	\$ 10,118	\$ 18,715	\$ 676,592	\$ 2,275,366

AVON 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

	Special Education Preschool	School Lunch	Textbook Rental	School Safe Haven	Gifted/Talented 2007-2008	Gifted/Talented 2007-2008
Receipts:						
Local sources	\$ 32,508	\$ 2,426,084	\$ 543,135	\$ -	\$ -	\$ -
State sources	200,741	45,255	100,027	16,179	-	59,959
Federal sources	-	581,418	-	-	-	-
Sale of property, adjustments and refunds	-	738	651	-	-	-
Interfund loans	300,000	-	1,000,000	-	-	-
Total receipts	<u>533,249</u>	<u>3,053,495</u>	<u>1,643,813</u>	<u>16,179</u>	<u>-</u>	<u>59,959</u>
Disbursements:						
Current:						
Instruction	399,738	-	-	-	7,304	51,436
Support services	-	3,092,948	941,975	16,179	-	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	150,000	-	1,000,000	-	-	-
Total disbursements	<u>549,738</u>	<u>3,092,948</u>	<u>1,941,975</u>	<u>16,179</u>	<u>7,304</u>	<u>51,436</u>
Excess (deficiency) of receipts over disbursements	<u>(16,489)</u>	<u>(39,453)</u>	<u>(298,162)</u>	<u>-</u>	<u>(7,304)</u>	<u>8,523</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<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>(16,489)</u>	<u>(39,453)</u>	<u>(298,162)</u>	<u>-</u>	<u>(7,304)</u>	<u>8,523</u>
Cash and investments - beginning	<u>24,919</u>	<u>540,850</u>	<u>893,009</u>	<u>-</u>	<u>7,304</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,430</u>	<u>\$ 501,397</u>	<u>\$ 594,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,523</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,430	\$ 501,397	\$ 594,847	\$ -	\$ -	\$ 8,523
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,430</u>	<u>\$ 501,397</u>	<u>\$ 594,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,523</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,430	501,397	594,847	-	-	8,523
Total cash and investment fund balance - ending	<u>\$ 8,430</u>	<u>\$ 501,397</u>	<u>\$ 594,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,523</u>

AVON 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)

	Non English Speaking Grant	Title I 2006-2007	Title I 2007-2008	Title V, Part A 2006-2007	Title V, Part A 2006-2007	EPICC Grant 08-446 Part B Literacy
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	49,957	-	-	-	-	-
Federal sources	-	30,600	403,654	9,228	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>49,957</u>	<u>30,600</u>	<u>403,654</u>	<u>9,228</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	42,133	30,043	391,605	1,898	1,094	59,093
Support services	5,170	8,740	11,359	-	-	-
Community services	-	1,962	1,373	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>47,303</u>	<u>40,745</u>	<u>404,337</u>	<u>1,898</u>	<u>1,094</u>	<u>59,093</u>
Excess (deficiency) of receipts over disbursements	<u>2,654</u>	<u>(10,145)</u>	<u>(683)</u>	<u>7,330</u>	<u>(1,094)</u>	<u>(59,093)</u>
Other financing sources (uses):						
Transfers in	-	-	24,867	-	-	-
Transfers out	-	(24,867)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(24,867)</u>	<u>24,867</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,654</u>	<u>(35,012)</u>	<u>24,184</u>	<u>7,330</u>	<u>(1,094)</u>	<u>(59,093)</u>
Cash and investments - beginning	<u>-</u>	<u>35,013</u>	<u>-</u>	<u>-</u>	<u>1,094</u>	<u>59,093</u>
Cash and investments - ending	<u>\$ 2,654</u>	<u>\$ 1</u>	<u>\$ 24,184</u>	<u>\$ 7,330</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,654	\$ 1	\$ 24,184	\$ 7,330	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,654</u>	<u>\$ 1</u>	<u>\$ 24,184</u>	<u>\$ 7,330</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,654	1	24,184	7,330	-	-
Total cash and investment fund balance - ending	<u>\$ 2,654</u>	<u>\$ 1</u>	<u>\$ 24,184</u>	<u>\$ 7,330</u>	<u>\$ -</u>	<u>\$ -</u>

AVON 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)

	Special Ed Grant	PL 108-446 Part B/EPPIC	Regional Library Meeting Grant	Title IV, Part A Drug Free 06-07	Title IV, Part A Safe/Drug Free	Title IV, Part A Safe/Drug Free
Receipts:						
Local sources	\$ -	\$ 942	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	1,274,390	335,000	-	7,458	8,000	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>1,274,390</u>	<u>335,942</u>	<u>-</u>	<u>7,458</u>	<u>8,000</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	1,274,390	274,327	-	6,104	3,459	2,654
Support services	-	-	800	-	-	250
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>1,274,390</u>	<u>274,327</u>	<u>800</u>	<u>6,104</u>	<u>3,459</u>	<u>2,904</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>61,615</u>	<u>(800)</u>	<u>1,354</u>	<u>4,541</u>	<u>(2,904)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<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>-</u>	<u>61,615</u>	<u>(800)</u>	<u>1,354</u>	<u>4,541</u>	<u>(2,904)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>561</u>	<u>-</u>	<u>2,904</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 61,615</u>	<u>\$ 300</u>	<u>\$ 1,915</u>	<u>\$ 4,541</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 61,615	\$ 300	\$ 1,915	\$ 4,541	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 61,615</u>	<u>\$ 300</u>	<u>\$ 1,915</u>	<u>\$ 4,541</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	61,615	300	1,915	4,541	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 61,615</u>	<u>\$ 300</u>	<u>\$ 1,915</u>	<u>\$ 4,541</u>	<u>\$ -</u>

AVON 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)

	Improving Teacher Quality Title II, Part A	Title III English Proficiency Migrant	Retirement/ Severance Bond	Construction	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 712,481	\$ 243,906	\$ 310	\$ 3,959,366
State sources	-	-	-	-	-	472,118
Federal sources	108,986	24,382	-	-	-	2,783,116
Sale of property, adjustments and refunds	-	-	-	-	-	1,389
Interfund loans	-	-	-	-	-	1,300,000
Total receipts	<u>108,986</u>	<u>24,382</u>	<u>712,481</u>	<u>243,906</u>	<u>310</u>	<u>8,515,989</u>
Disbursements:						
Current:						
Instruction	106,881	32,368	-	-	-	2,684,527
Support services	500	-	-	243,906	675,666	4,997,493
Community services	-	-	-	-	-	3,335
Debt services	-	-	474,104	-	-	474,104
Interfund loans	-	-	-	-	-	1,150,000
Total disbursements	<u>107,381</u>	<u>32,368</u>	<u>474,104</u>	<u>243,906</u>	<u>675,666</u>	<u>9,309,459</u>
Excess (deficiency) of receipts over disbursements	<u>1,605</u>	<u>(7,986)</u>	<u>238,377</u>	<u>-</u>	<u>(675,356)</u>	<u>(793,470)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	24,867
Transfers out	-	-	-	-	-	(24,867)
Total other financing sources (uses)	<u>-</u>	<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>1,605</u>	<u>(7,986)</u>	<u>238,377</u>	<u>-</u>	<u>(675,356)</u>	<u>(793,470)</u>
Cash and investments - beginning	<u>4,094</u>	<u>10,118</u>	<u>18,715</u>	<u>-</u>	<u>676,592</u>	<u>2,275,366</u>
Cash and investments - ending	<u>\$ 5,699</u>	<u>\$ 2,132</u>	<u>\$ 257,092</u>	<u>\$ -</u>	<u>\$ 1,236</u>	<u>\$ 1,481,896</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 5,699	\$ 2,132	\$ -	\$ -	\$ 1,236	\$ 1,224,804
Restricted assets:						
Cash and investments	-	-	257,092	-	-	257,092
Total cash and investment assets - ending	<u>\$ 5,699</u>	<u>\$ 2,132</u>	<u>\$ 257,092</u>	<u>\$ -</u>	<u>\$ 1,236</u>	<u>\$ 1,481,896</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 257,092	\$ -	\$ -	\$ 257,092
Unrestricted	5,699	2,132	-	-	1,236	1,224,804
Total cash and investment fund balance - ending	<u>\$ 5,699</u>	<u>\$ 2,132</u>	<u>\$ 257,092</u>	<u>\$ -</u>	<u>\$ 1,236</u>	<u>\$ 1,481,896</u>

AVON 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

	Avon Educational Foundation	McCalment Scholarship	Lions Club Donation	White Lick Heritage/Pinnick	Outdoor Learning Center	Joseph Sugg Foundation	Hendricks Co. Substance Abuse Grant
Additions:							
Contributions:							
Other	\$ 43,151	\$ 1,727	\$ -	\$ 1,200	\$ 13,139	\$ -	\$ 6,900
Investment earnings:							
Interest	-	-	-	-	-	-	-
Total investment earnings	-	-	-	-	-	-	-
Net investment earnings	-	-	-	-	-	-	-
Total additions	43,151	1,727	-	1,200	13,139	-	6,900
Deductions:							
Administrative and general	875	1,000	280	1,579	10,094	-	6,900
Excess (deficiency) of total additions over total deductions	42,276	727	(280)	(379)	3,045	-	-
Cash and investment fund balance - beginning	1,000	-	3,095	779	7,455	540	-
Cash and investments - June 30	<u>\$ 43,276</u>	<u>\$ 727</u>	<u>\$ 2,815</u>	<u>\$ 400</u>	<u>\$ 10,500</u>	<u>\$ 540</u>	<u>\$ -</u>
Net assets:							
Cash and investments	\$ 43,276	\$ 727	\$ 2,815	\$ 400	\$ 10,500	\$ 540	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ 43,276</u>	<u>\$ 727</u>	<u>\$ 2,815</u>	<u>\$ 400</u>	<u>\$ 10,500</u>	<u>\$ 540</u>	<u>\$ -</u>

AVON 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
 (Continued)

	Lilly Grant/Two	Highsmith Research Grant/HS	Team Nutrition Mini Grant/MS	People To People Prof Development	Bright Ideas Grant/West	Indiana Youth Institute
Additions: Contributions: Other	\$ 250	\$ -	\$ 500	\$ 750	\$ 500	\$ 750
Investment earnings: Interest	-	-	-	-	-	-
Total investment earnings	-	-	-	-	-	-
Net investment earnings	-	-	-	-	-	-
Total additions	250	-	500	750	500	750
Deductions: Administrative and general	173	80	500	750	500	-
Excess (deficiency) of total additions over total deductions	77	(80)	-	-	-	750
Cash and investment fund balance - beginning	87	80	-	-	-	-
Cash and investments - June 30	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750</u>
Net assets: Cash and investments	\$ 164	\$ -	\$ -	\$ -	\$ -	\$ 750
Total net assets - cash and investment basis held in trust	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750</u>

AVON 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
 (Continued)

	Youth as Resources Hearts of Gold	Age Is Timeless Grant/MS	Jeri Inman Scholarship	Gibraltar Citizenship Award	Hendricks Co. Community Foundation	Totals
Additions: Contributions: Other	\$ -	\$ 716	\$ 500	\$ -	\$ 500	\$ 70,583
Investment earnings: Interest	-	-	611	-	-	611
Total investment earnings	-	-	611	-	-	611
Net investment earnings	-	-	611	-	-	611
Total additions	-	716	1,111	-	500	71,194
Deductions: Administrative and general	4	716	2,500	61	857	26,869
Excess (deficiency) of total additions over total deductions	(4)	-	(1,389)	(61)	(357)	44,325
Cash and investment fund balance - beginning	4	-	14,420	1,272	357	29,089
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,031</u>	<u>\$ 1,211</u>	<u>\$ -</u>	<u>\$ 73,414</u>
Net assets: Cash and investments	\$ -	\$ -	\$ 13,031	\$ 1,211	\$ -	\$ 73,414
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,031</u>	<u>\$ 1,211</u>	<u>\$ -</u>	<u>\$ 73,414</u>

AVON 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

	Avon Educational Foundation	McCalment Scholarship	Lions Club Donation	White Lick Heritage/Pinnick	Outdoor Learning Center	Joseph Sugg Foundation	Lilly Grant/Two
Additions:							
Contributions:							
Other	\$ 1,200	\$ 534	\$ -	\$ -	\$ 3,527	\$ -	\$ 370
Investment earnings:							
Interest	-	494	-	-	-	-	-
Total investment earnings	-	494	-	-	-	-	-
Net investment earnings	-	494	-	-	-	-	-
Total additions	1,200	1,028	-	-	3,527	-	370
Deductions:							
Administrative and general	44,476	-	560	399	3,209	-	534
Excess (deficiency) of total additions over total deductions	(43,276)	1,028	(560)	(399)	318	-	(164)
Cash and investment fund balance - beginning	43,276	727	2,815	400	10,500	540	164
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,755</u>	<u>\$ 2,255</u>	<u>\$ 1</u>	<u>\$ 10,818</u>	<u>\$ 540</u>	<u>\$ -</u>
Net assets:							
Cash and investments	\$ -	\$ 1,755	\$ 2,255	\$ 1	\$ 10,818	\$ 540	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,755</u>	<u>\$ 2,255</u>	<u>\$ 1</u>	<u>\$ 10,818</u>	<u>\$ 540</u>	<u>\$ -</u>

AVON 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
 (Continued)

	Indiana Youth Institute	AMS Caring With Crafts	Jeri Inman Scholarship	Gibraltar Citizenship Award	Hendricks Co. Substance Abuse Grant	Outdoor Learning Center	Totals
Additions:							
Contributions:							
Other	\$ 235	\$ 520	\$ -	\$ -	\$ 1,500	\$ 4,302	\$ 12,188
Investment earnings:							
Interest	-	-	459	-	-	-	953
Total investment earnings	-	-	459	-	-	-	953
Net investment earnings	-	-	459	-	-	-	953
Total additions	235	520	459	-	1,500	4,302	13,141
Deductions:							
Administrative and general	985	472	4,000	80	945	3,466	59,126
Excess (deficiency) of total additions over total deductions	(750)	48	(3,541)	(80)	555	836	(45,985)
Cash and investment fund balance - beginning	750	-	13,031	1,211	-	-	73,414
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 9,490</u>	<u>\$ 1,131</u>	<u>\$ 555</u>	<u>\$ 836</u>	<u>\$ 27,429</u>
Net assets:							
Cash and investments	\$ -	\$ 48	\$ 9,490	\$ 1,131	\$ 555	\$ 836	\$ 27,429
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 9,490</u>	<u>\$ 1,131</u>	<u>\$ 555</u>	<u>\$ 836</u>	<u>\$ 27,429</u>

AVON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	Indiana State Tax Withholding	Local Option Tax Withholding	COBRA	Ameriflex	Totals
Cash and investments fund balance - ending	\$ 86,919	\$ 31,712	\$ 82	\$ 1,318	\$ 120,031

AVON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	Lincoln Financial	Anthem Clearing Account	PTRC	Totals
Cash and investments fund balance - ending	\$ 491	\$ 701,103	\$ 288,019	\$ 989,613

AVON 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	\$ 8,526,791
Buildings	144,475,334
Improvements other than buildings	3,643,503
Machinery and equipment	254,682,185
Construction in progress	<u>15,105,117</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 426,432,930</u>

AVON COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2008

Avon Community School Corporation has entered into the following debt arrangements:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
1993A Improvements to the HS and Pine Tree Elementary	\$ 1,380,000	\$ 986,260
2002 Renovations, improvements, and additions to White Oak Elementary, Maple Elementary, and the HS	12,500,000	1,968,000
2005 Construction of Cedar Elementary	48,415,000	2,409,000
2005 Construction of addition to HS	47,000,000	5,631,365
2007 Construction of Middle School North	97,455,000	5,956,075
2008 Construction of River Birch Elementary and addition to HS	<u>71,700,000</u>	<u>1,330,000</u>
	278,450,000	18,280,700
General Obligation Bonds payable:		
Pension Bonds:		
2004 Retirement Obligations for School Corporation Employees	5,435,000	571,624
2006 Retirement Obligations for School Corporation Employees	<u>3,800,000</u>	<u>372,810</u>
	9,235,000	944,434
Loans payable:		
Common School Loans	92,572	51,146
Total governmental activities debt	<u>\$ 287,777,572</u>	<u>\$ 19,276,280</u>

AVON COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
School Pension Debt Service	2006	\$ 14,370
Debt Service	2007	970,040

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE AVON COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

Compliance

We have audited the compliance of the Avon 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

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)

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

March 26, 2009

AVON COMMUNITY 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.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	Year 2007-2008	\$ -	77,854
			-	-
Total for program			-	77,854
Child Nutrition Cluster National School Lunch Program	10.555	Year 2006-2007 Year 2007-2008	602,350 -	- 653,265
Total for program			602,350	653,265
Total for federal grantor agency			602,350	731,119
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title 1 Grants to Local Educational Agencies	84.010			
Title 1 Basic Funds		05-3315	19,077	-
Title 1 Basic Funds		06-3315	292,462	40,746
Title 1 Basic Funds		07-3315	-	404,337
Total for program			311,539	445,083
Pass- Through MSD Wayne Township West Central Joint Services Special Education Cluster Special Education Grants to States	84.027			
FY06 Part B IDEA		14207-063-PN01	805,586	-
FY07 Part B IDEA		14208-063-PN01	-	1,274,390
Pass-Through Indiana Department of Education Special Education - Grants to States				
Chapter 1 PL 108-446- 05/06 - RTI		14206-004-DNO1	11,225	-
EPICC 108-446 Part B Literacy		14206-047DY02	200,907	59,093
PL108-446 Part B/EPICC		14207-001DY03	-	274,327
Total for cluster			1,017,718	1,607,810
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
Safe and Drug Free Schools		04-043	3,508	-
Safe and Drug Free Schools		05-139	7,565	2,904
Safe and Drug Free Schools		3315-06	7,439	6,104
Safe and Drug Free Schools		07-3315	-	3,459
Total for program			18,512	12,467
State Grants for Innovative Programs	84.298			
Title V, Part A		05-232	24,882	1,094
Title V, Part A		SY 06-07	-	1,898
Total for program			24,882	2,992
Education Technology State Grants	84.318			
Enhancing Education through Technology		2005-2007	3,621	-
Regional Library Meeting Grant		5318X080014	700	800
Total for program			4,321	800
English Language Acquisition grants	84.365			
Title III Language instruction		2005-06	13,013	-
Title III Language instruction		Project 06-07	22,037	-
Title III Language instruction		Project 07-08	-	32,368
Total for program			35,050	32,368
Improving Teacher Quality State Grants	84.367			
Title II, Part A		06-3315	101,719	-
Title II, Part A		07-3315	-	107,380
Total for program			101,719	107,380
Total for federal grantor agency			1,513,741	2,862,165
Total federal awards expended			\$ 2,116,091	\$ 2,940,019

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

AVON 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 Avon 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 schools shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2007	2008
School Lunch Program	10.555	\$ 113,662	\$ 77,326
School Breakfast Program	10.553	-	5,547

AVON 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
84.010	Child Nutrition Cluster
84.367	Title I Grants to Local Educational Agencies Improving Teacher Quality State Grants

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.

AVON COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

AVON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 8, 2009, with Kimberly Woodward, President of the School Board; Timothy Ogle, Superintendent of Schools; Brock Browsher, Director of Finance; and Brenda Stipp, Treasurer. The official response has been made a part of this report and may be found on page 53.



7203 EAST U.S. HIGHWAY 36
AVON, IN 46123
Phone: (317) 272-2920
Fax: (317) 272-1704
www.avon-schools.org

June 11, 2009

Indiana State Board of Accounts
302 Washington St., Room E418
Indianapolis, IN 46204-2765

In response to the Avon Community School Corporation financial audit for the year ending June 30, 2008, please see comments below.

- Lease payment invoice dated 12-31-06 from U.S. Bank was mailed to the incorrect location, and not received until after the 2006 budgetary year was closed. Due to the lease payment being made in budget year 2007, the invoice was paid from unappropriated funds.

Corrective actions have been implemented to ensure lease payment invoices are mailed to the correct address for processing.

Sincerely,

Brock J. Bowsler
Director of Finance/Operations
Avon Community School Corporation
Phone: (317) 272-2920
Fax: (317) 272-1704
bjbowsler@avon-schools.org

Board of School Trustees

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Superintendent

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Associate Superintendent

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Executive Director

Kent A. DeKoninck

Directors

Brock J. Bowsler

Peggy B. Clark, Ed.D.

Maryanne B. McMahon

CC: Dr. Timothy Ogle, Superintendent
Mr. Larry Tippin, Indiana State Board of Accounts Field Examiner