

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

AUDIT REPORT

OF

CROWN POINT COMMUNITY SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2007 to June 30, 2009



**FILED**

01/26/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer/ Treasurer	Matthew D. Ruess	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Teresa A. Eineman	07-01-07 to 06-30-10
President of the School Board	Scott Angel Karen Schrum	07-01-07 to 06-30-09 07-01-09 to 06-30-10



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

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Crown Point Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, 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 December 7, 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

December 7, 2009



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

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Crown Point Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 7, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

December 7, 2009

CROWN POINT 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>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 26,517,800	\$ -	\$ 295,911	\$ (26,221,889)
Support services	17,784,771	2,765,145	1,738,084	(13,281,542)
Noninstructional services	3,098,470	-	-	(3,098,470)
Facilities acquisition and construction	2,835,668	-	-	(2,835,668)
Debt service	23,901,236	-	-	(23,901,236)
Nonprogrammed charges	4,524,794	-	-	(4,524,794)
<b>Total government</b>	<b><u>\$ 78,662,739</u></b>	<b><u>\$ 2,765,145</u></b>	<b><u>\$ 2,033,995</u></b>	<b><u>(73,863,599)</u></b>
General receipts:				
Property taxes				29,482,541
Other local sources				4,353,895
State aid				22,164,876
Bonds and loans				13,867,935
Grants and contributions not restricted to specific programs				1,006,786
Sale of property				3,604
Investment earnings				622,837
Other				58,011
<b>Total general receipts</b>				<b><u>71,560,485</u></b>
Change in net assets				(2,303,114)
Net assets - beginning				17,190,673
Net assets - ending				<b><u>\$ 14,887,559</u></b>
<u>Assets</u>				
Cash and investments				\$ 12,784,704
Restricted assets:				
Cash and investments				<u>2,102,855</u>
<b>Total assets</b>				<b><u>\$ 14,887,559</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 925,549
Other purposes				1,177,306
Unrestricted				<u>12,784,704</u>
<b>Total net assets</b>				<b><u>\$ 14,887,559</u></b>

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

CROWN POINT COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 27,366,094	\$ -	\$ 292,152	\$ (27,073,942)
Support services	21,578,723	2,822,355	1,816,459	(16,939,909)
Noninstructional services	3,654,261	-	-	(3,654,261)
Facilities acquisition and construction	3,126,810	-	-	(3,126,810)
Debt service	20,597,139	-	-	(20,597,139)
Nonprogrammed charges	<u>5,265,371</u>	<u>-</u>	<u>-</u>	<u>(5,265,371)</u>
 Total government	 <u>\$ 81,588,398</u>	 <u>\$ 2,822,355</u>	 <u>\$ 2,108,611</u>	 <u>(76,657,432)</u>
 General receipts:				
Property taxes				39,784,920
Other local sources				7,666,936
State aid				27,097,760
Bonds and loans				3,116,652
Grants and contributions not restricted to specific programs				4,488,350
Sale of property				11,173
Investment earnings				186,935
Other				<u>103,668</u>
 Total general receipts				 <u>82,456,394</u>
 Change in net assets				 5,798,962
 Net assets - beginning				 <u>14,887,559</u>
 Net assets - ending				 <u>\$ 20,686,521</u>
 <u>Assets</u>				
Cash and investments				\$ 16,751,979
Restricted assets:				
Cash and investments				<u>3,934,542</u>
 Total assets				 <u>\$ 20,686,521</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 3,273,582
Other purposes				660,960
Unrestricted				<u>16,751,979</u>
 Total net assets				 <u>\$ 20,686,521</u>

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

CROWN POINT 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	Debt Service	Capital Projects	Construction Project	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 15,432,214	\$ 10,319,674	\$ 4,379,374	\$ -	\$ 6,404,353	\$ 36,535,615
Intermediate sources	267,583	-	-	-	2,812	270,395
State sources	22,378,400	-	-	-	1,712,959	24,091,359
Federal sources	-	-	-	-	1,114,298	1,114,298
Temporary loans	8,000,000	4,000,000	-	-	-	12,000,000
Interfund loans	3,050,000	3,000,000	-	-	2,800,000	8,850,000
Other	56,843	-	-	-	1,168	58,011
<b>Total receipts</b>	<b>49,185,040</b>	<b>17,319,674</b>	<b>4,379,374</b>	<b>-</b>	<b>12,035,590</b>	<b>82,919,678</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	25,786,928	-	-	-	730,872	26,517,800
Support services	10,997,237	-	3,208,267	94,880	4,815,945	19,116,329
Noninstructional services	651,124	-	-	-	2,447,346	3,098,470
Facilities acquisition and construction	-	-	1,335,719	126,614	1,373,335	2,835,668
Debt services	5,430,000	17,351,203	-	-	1,120,033	23,901,236
Nonprogrammed charges	2,710,101	42,209	-	-	72,875	2,825,185
Interfund loans	5,800,000	325,000	-	-	2,725,000	8,850,000
<b>Total disbursements</b>	<b>51,375,390</b>	<b>17,718,412</b>	<b>4,543,986</b>	<b>221,494</b>	<b>13,285,406</b>	<b>87,144,688</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,190,350)</b>	<b>(398,738)</b>	<b>(164,612)</b>	<b>(221,494)</b>	<b>(1,249,816)</b>	<b>(4,225,010)</b>
<b>Other financing sources (uses):</b>						
Proceeds of long-term debt	-	-	-	1,651,061	216,874	1,867,935
Sale of capital assets	3,604	-	-	-	-	3,604
Transfers in	-	-	-	-	31,327	31,327
Transfers out	-	-	-	-	(31,327)	(31,327)
<b>Total other financing sources (uses)</b>	<b>3,604</b>	<b>-</b>	<b>-</b>	<b>1,651,061</b>	<b>216,874</b>	<b>1,871,539</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(2,186,746)</b>	<b>(398,738)</b>	<b>(164,612)</b>	<b>1,429,567</b>	<b>(1,032,942)</b>	<b>(2,353,471)</b>
Cash and investments - beginning	7,665,258	1,296,672	2,514,348	-	4,587,446	16,063,724
Cash and investments - ending	<u>\$ 5,478,512</u>	<u>\$ 897,934</u>	<u>\$ 2,349,736</u>	<u>\$ 1,429,567</u>	<u>\$ 3,554,504</u>	<u>13,710,253</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>1,177,306</u>
Net assets of governmental activities						<u>\$ 14,887,559</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 5,478,512	\$ -	\$ 2,349,736	\$ 1,429,567	\$ 3,526,889	\$ 12,784,704
<b>Restricted assets:</b>						
Cash and investments	-	897,934	-	-	27,615	925,549
<b>Total cash and investment assets - ending</b>	<b>\$ 5,478,512</b>	<b>\$ 897,934</b>	<b>\$ 2,349,736</b>	<b>\$ 1,429,567</b>	<b>\$ 3,554,504</b>	<b>\$ 13,710,253</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ 897,934	\$ -	\$ -	\$ 27,615	\$ 925,549
Unrestricted	5,478,512	-	2,349,736	1,429,567	3,526,889	12,784,704
<b>Total cash and investment fund balance - ending</b>	<b>\$ 5,478,512</b>	<b>\$ 897,934</b>	<b>\$ 2,349,736</b>	<b>\$ 1,429,567</b>	<b>\$ 3,554,504</b>	<b>\$ 13,710,253</b>

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

CROWN POINT 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, 2009

	General	Fiscal Stabilization	Debt Service	Capital Projects	Construction Project	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 18,616,206	\$ -	\$ 16,004,731	\$ 7,581,534	\$ 21,119	\$ 7,508,659	\$ 49,732,249
Intermediate sources	361,075	-	-	-	-	3,188	364,263
State sources	27,310,243	-	-	-	-	1,533,312	28,843,555
Federal sources	-	3,381,316	-	-	-	1,469,850	4,851,166
Temporary loans	-	-	893,436	-	-	2,211,237	3,104,673
Interfund loans	5,800,000	-	-	-	-	-	5,800,000
Other	12,425	-	-	77,248	11,751	445	101,869
<b>Total receipts</b>	<b>52,099,949</b>	<b>3,381,316</b>	<b>16,898,167</b>	<b>7,658,782</b>	<b>32,870</b>	<b>12,726,691</b>	<b>92,797,775</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	26,663,137	-	-	-	-	702,957	27,366,094
Support services	13,808,071	-	-	3,625,398	-	5,552,001	22,985,470
Noninstructional services	784,709	-	-	-	-	2,869,552	3,654,261
Facilities acquisition and construction	-	-	-	2,499,396	561,606	65,808	3,126,810
Debt services	8,000,000	-	12,033,491	-	-	563,648	20,597,139
Nonprogrammed charges	2,819,095	-	-	-	-	156,750	2,975,845
Interfund loans	-	-	3,000,000	-	-	2,800,000	5,800,000
<b>Total disbursements</b>	<b>52,075,012</b>	<b>-</b>	<b>15,033,491</b>	<b>6,124,794</b>	<b>561,606</b>	<b>12,710,716</b>	<b>86,505,619</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>24,937</b>	<b>3,381,316</b>	<b>1,864,676</b>	<b>1,533,988</b>	<b>(528,736)</b>	<b>15,975</b>	<b>6,292,156</b>
<b>Other financing sources (uses):</b>							
Proceeds of long-term debt	-	-	-	-	11,979	-	11,979
Sale of capital assets	11,173	-	-	-	-	-	11,173
Transfers in	-	-	-	-	-	42,653	42,653
Transfers out	-	-	-	-	-	(42,653)	(42,653)
<b>Total other financing sources (uses)</b>	<b>11,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,979</b>	<b>-</b>	<b>23,152</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>36,110</b>	<b>3,381,316</b>	<b>1,864,676</b>	<b>1,533,988</b>	<b>(516,757)</b>	<b>15,975</b>	<b>6,315,308</b>
Cash and investments - beginning	5,478,512	-	897,934	2,349,736	1,429,567	3,554,504	13,710,253
Cash and investments - ending	<u>\$ 5,514,622</u>	<u>\$ 3,381,316</u>	<u>\$ 2,762,610</u>	<u>\$ 3,883,724</u>	<u>\$ 912,810</u>	<u>\$ 3,570,479</u>	<u>20,025,561</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because: Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							<u>660,960</u>
Net assets of governmental activities							<u>\$ 20,686,521</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 5,514,622	\$ 3,381,316	\$ -	\$ 3,883,724	\$ 912,810	\$ 3,059,507	\$ 16,751,979
Restricted assets:							
Cash and investments	-	-	2,762,610	-	-	510,972	3,273,582
<b>Total cash and investment assets - ending</b>	<b>\$ 5,514,622</b>	<b>\$ 3,381,316</b>	<b>\$ 2,762,610</b>	<b>\$ 3,883,724</b>	<b>\$ 912,810</b>	<b>\$ 3,570,479</b>	<b>\$ 20,025,561</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 2,762,610	\$ -	\$ -	\$ 510,972	\$ 3,273,582
Unrestricted	5,514,622	3,381,316	-	3,883,724	912,810	3,059,507	16,751,979
<b>Total cash and investment fund balance - ending</b>	<b>\$ 5,514,622</b>	<b>\$ 3,381,316</b>	<b>\$ 2,762,610</b>	<b>\$ 3,883,724</b>	<b>\$ 912,810</b>	<b>\$ 3,570,479</b>	<b>\$ 20,025,561</b>

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

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

	<u>Internal Service Funds</u>
Operating receipts:	
Employer contributions	\$ 1,331,558
Employee contributions	402,817
Miscellaneous	<u>15,591</u>
Total operating receipts	<u>1,749,966</u>
Operating disbursements:	
Insurance claims and expense	<u>1,699,609</u>
Excess of operating receipts over operating disbursements	50,357
Transfers in	1,355,259
Transfers out	<u>(1,355,259)</u>
Change in net assets	50,357
Cash and investment fund balance - beginning	<u>1,126,949</u>
Cash and investment fund balance - ending	<u>\$ 1,177,306</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,177,306</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,177,306</u>

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

CROWN POINT COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Employer contributions	\$ 1,406,747
Employee contributions	354,181
Miscellaneous	<u>12,252</u>
Total operating receipts	<u>1,773,180</u>
Operating disbursements:	
Insurance claims and expense	<u>2,289,526</u>
Change in net assets	(516,346)
Cash and investment fund balance - beginning	<u>1,177,306</u>
Cash and investment fund balance - ending	<u>\$ 660,960</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 660,960</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 660,960</u>

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

CROWN POINT 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 Fund
Additions:			
Contributions:			
Other	\$ -	\$ 5,600	
Investment earnings:			
Interest	128,564	-	
Total additions	128,564	5,600	
Deductions:			
Benefits	449,243	-	
Administrative and general	-	1,850	
Total deductions	449,243	1,850	
Excess (deficiency) of total additions over total deductions	(320,679)	3,750	
Cash and investment fund balance - beginning	3,641,017	16,703	
Cash and investment fund balance - ending	\$ 3,320,338	\$ 20,453	\$ 181,287
Net assets:			
Cash and investments	\$ 3,320,338	\$ 20,453	
Total net assets - cash and investment basis held in trust	\$ 3,320,338	\$ 20,453	

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

CROWN POINT COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ -	\$ 19,930	
Investment earnings:			
Interest	32,981	-	
Total additions	32,981	19,930	
Deductions:			
Benefits	637,773	-	
Administrative and general	-	20,810	
Total deductions	637,773	20,810	
Deficiency of total additions over total deductions	(604,792)	(880)	
Cash and investment fund balance - beginning	3,320,338	20,453	
Cash and investment fund balance - ending	\$ 2,715,546	\$ 19,573	\$ 269,973
Net assets:			
Cash and investments	\$ 2,715,546	\$ 19,573	
Total net assets - cash and investment basis held in trust	\$ 2,715,546	\$ 19,573	

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

CROWN POINT 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: Crown Point 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 nine other schools in a joint venture to operate the Northwest Indiana Special Education Cooperative (Co-op) which was created to provide instruction for disabled children. The School Corporation is obligated by contract to funding percentage based on its share of assessed valuation at March 1 of the previous year and its share of Average Daily Membership as compared to the total of all member school corporations determined annually. Complete financial statements for the Co-op can be obtained from its administrative office at 2150 West 97<sup>th</sup> Avenue, Crown Point, IN 46307.

The School Corporation is a participant in the Northwest Indiana Public School Study Council (Study Council), a joint school services program established December 10, 1969, for the improvement of education and the study of problems and issues involved in public education. The Study Council is governed by a board composed of a member from each participating school corporation. The School Corporation pays \$1,000 annually to belong to the Study Council. Complete financial statements for the Study Council can be obtained from the Merrillville Community School Corporation, 6701 Delaware Street, Merrillville, IN 46410.

The School is a participant in the Northwest Indiana Educational Services Center (Center), a joint services program established May 30, 1985, for the participating school corporations to cooperate and share programs such as curriculum development, instructional materials, needs assessment, computer utilization and in-service education. The Center operates under the authority of the Northwest Indiana Public School Study Council. The School Corporation provides funding based on Average Daily Membership, determined annually. Complete financial statements for the Center can be obtained from the Center's administrative offices, 2939 41<sup>st</sup> Avenue, Highland, IN 46322.

The School Corporation is a participant in the Southlake Career Cooperative (Southlake Co-op), a joint services program established July 1, 2002, to provide programs and services for Career and Technical Education. Southlake Co-op operates under the authority of a governing body that

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

consists of the superintendent of schools of each participating corporation or his/her designee. The School Corporation provides funding based on Average Daily Membership, determined annually. Complete financial statements for Southlake Co-op can be obtained from the Hanover Community School Corporation, 13330 Parrish Avenue, Cedar Lake, IN 46303.

The School Corporation is a participant with other participating school corporations in a joint venture to operate the Northwest Indiana Natural Gas Cooperative (Gas Co-op), which was created to procure natural gas in a more economical and efficient manner. The Gas Co-op operates under the authority of the Northwest Indiana Educational Service Center. The School Corporation provides funding for administrative costs based upon a percentage basis of the Average Daily Membership Counts not to exceed \$10,000. Complete financial statements for the Northwest Indiana Natural Gas Cooperative can be obtained from the Service Center Administrative Offices, 2939 41<sup>st</sup> Avenue, Highland, IN 46322.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

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 fiscal stabilization fund accounts for funds received from the state for the American Recovery and Reinvestment Act of 2009.

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.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The construction project fund accounts for planned construction additions and renovation of various schools.

Additionally, the School Corporation reports the following fund types:

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

The pension trust funds account for the activities of the retirement/severance bond and post retirement/severance future benefit. These funds accumulate resources anticipated to be paid to employees on or after the termination of employment or to pay post/retirement or severance benefits.

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

The agency fund accounts for assets held by the School Corporation as an agent for other governmental entities and insurance agencies.

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.

CROWN POINT 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

Normally 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 may become delinquent if not paid by May 10 and November 10, respectively.

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

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

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds 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 reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

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.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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

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

III. Detailed Notes on All Funds

A. Deposits

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, 2009, the School Corporation had deposit balances in the amount of \$23,691,613.

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, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>06-30-08</u>	<u>06-30-09</u>
Other governmental funds	Other governmental funds	\$ 31,327	\$ 42,653
Internal Service Fund	Internal Service Fund	<u>1,355,259</u>	<u>-</u>
Totals		<u>\$ 1,386,586</u>	<u>\$ 42,653</u>

Temporary loan transfers between funds for the years ended June 30, 2008 and 2009, were as follows:

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>06-30-08</u>	<u>06-30-09</u>
General Fund	Debt Service	\$ 3,000,000	\$ -
General Fund	Other governmental funds	2,800,000	-
Debt Service	General Fund	325,000	3,000,000
Other governmental funds	General Fund	<u>2,725,000</u>	<u>2,800,000</u>
Totals		<u>\$ 8,850,000</u>	<u>\$ 5,800,000</u>

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

C. Tax Anticipation Warrants

Tax anticipation warrants outstanding balances as of June 30, 2008 and 2009, are detailed in the following schedule:

<u>Fund</u>	<u>Warrants Outstanding 06-30-08</u>	<u>Warrants Outstanding 06-30-09</u>
General Fund	\$ 8,000,000	\$ -
Transportation	-	1,692,206
Debt Service	-	893,436
Pension Debt Service	-	<u>519,031</u>
Totals	<u>\$ 8,000,000</u>	<u>\$ 3,104,673</u>

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; 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. Risk financing is not utilized for the other risks of loss.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Worker's Compensation and Medical Benefits

The School Corporation has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees, and medical benefits to employees, retirees, and dependents (excluding post employment benefits). The risk financing fund is accounted for in the internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers for job related illnesses or injuries to employees, for individual claims in excess of \$175,000 per year. An excess policy through commercial insurance for medical benefits to employees, retirees, and dependents (excluding post employment benefits) covers individual claims in excess of \$80,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporation

The School Corporation has entered into capital leases with the Crown Point Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2008 and June 30, 2009, totaled \$10,566,869 and \$9,551,116, respectively.

C. Subsequent Events

Special Education Cooperative

On October 27, 2008, the School Board approved to withdraw from the Northwest Indiana Special Education Cooperative as of July 1, 2010, and to provide special education services to students through the school corporation. Employees of the Cooperative will have the option of continuing employment with the Cooperative or joining employment at the School Corporation.

Medical Benefits Provided to Teachers

The School Corporation provided medical benefits for teachers through a trust pool administered by the Indiana State Teachers Association (ISTA) Insurance Trust until June 30, 2009. The ISTA insurance trust was shut down by the state as of July 1, 2009, after ISTA said it was near bankruptcy with a \$67,000,000 deficit. The ISTA asked its parent organization, the National Education Association (NEA), to assume temporary control of the state-level operations. Currently, the School Corporation is providing medical benefits for teachers through their internal service fund.

The School Corporation had a claim stabilization reserve of \$5,260,156 as of June 30, 2009, to cover remaining unpaid claims. The School Corporation will be meeting in early December 2009 with NEA officials to determine the remaining balance and any amounts which may be refunded to the School Corporation.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Other Postemployment Benefits

Teachers/Administrators who were eligible for retirement prior to June 15, 2008, were allowed to elect whether their retirement would be calculated using the Buyout Replacement method or the prior retirement plan. This election had to be made in writing to the Superintendent on or before February 15, 2005.

Prior Retirement Plan

A teacher who has reached the age of fifty (50) years or over and has fifteen (15) years of service with the Crown Point Community School Corporation and any administrator who has reached the age of fifty-five (55) with ten (10) years of service may be eligible to receive at retirement a one-time benefit payment. The benefit payment is based on the number of years of active service, plus compensation for unused sick leave days with a maximum of two hundred twenty-five (225).

These benefits were established as an aid to bridge the time between early retirement and the eligibility of the retiree to receive reduced or unreduced Medicare benefits. The early retiree shall receive one-half (1/2) of the difference between the base salary of the retiree and the base salary of a beginning teacher for a period of five (5) years, or until the teacher/administrator attains eligibility for Medicare, whichever occurs earliest. The retiree shall receive the same single insurance package in effect on the last day of employment for single teachers. The Corporation shall make the same financial contributions to the retiree's insurance package every year thereafter.

There are currently 26 retirees participating in this program, and another 16 who are eligible for participation.

Retirement Severance Benefit

Under the buyout program, amounts were contributed to the employee's voluntary employee beneficiary association (VEBA) plan based upon an actuarial determination of the present value of the group health insurance benefits and term life insurance.

Under this program contributions were also made to a 401(a) plan based upon unused sick days.

No additional contributions will be made to either the VEBA or to the 401(a) plans.

There are currently 140 teachers in this plan.

E. Pension Plans

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

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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	\$ 359,871
Interest on net pension obligation	(23,127)
Adjustment to annual required contribution	26,355
Annual pension cost	363,099
Contributions made	409,227
Increase (decrease) in net pension obligation	(46,128)
Net pension obligation, beginning of year	(318,988)
Net pension obligation, end of year	\$ (365,116)

CROWN POINT COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF
Contribution rates:	
School Corporation	7%
Plan members	3%
Actuarial valuation date	07-01-08
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

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 308,238	97%	\$ (351,710)
	06-30-07	363,887	91%	(318,988)
	06-30-08	363,099	113%	(365,116)

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

CROWN POINT 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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$869,926, \$764,777, and \$599,536, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

CROWN POINT 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)
07-01-06	\$ 4,946,203	\$ 5,481,326	\$ (535,123)	90%	\$ 4,885,676	(11%)
07-01-07	5,131,392	5,296,409	(165,017)	97%	5,216,928	(3%)
07-01-08	5,669,719	6,308,351	(638,632)	90%	5,953,852	(11%)

CROWN POINT 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

	Transportation Operating	Special Ed Preschool	School Lunch	Textbook Rental	Education Plate Distribution	Workforce Development	Safehavens
<b>Receipts:</b>							
Local sources	\$ 2,709,567	\$ 30,343	\$ 1,979,420	\$ 126,351	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	2,812	-	-
State sources	-	121,363	44,692	1,218,066	-	12,587	-
Federal sources	-	-	475,326	-	-	-	-
Interfund loans	1,400,000	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>4,109,567</b>	<b>151,706</b>	<b>2,499,438</b>	<b>1,344,417</b>	<b>2,812</b>	<b>12,587</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	96,759	-	-	4,020	12,587	9,839
Support services	2,893,609	736	3,237	1,063,407	-	-	-
Noninstructional services	-	-	2,430,544	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	72,875	-	-	-	-	-
Interfund loans	1,725,000	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,618,609</b>	<b>170,370</b>	<b>2,433,781</b>	<b>1,063,407</b>	<b>4,020</b>	<b>12,587</b>	<b>9,839</b>
Excess (deficiency) of receipts over disbursements	(509,042)	(18,664)	65,657	281,010	(1,208)	-	(9,839)
<b>Other financing sources (uses):</b>							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(509,042)	(18,664)	65,657	281,010	(1,208)	-	(9,839)
Cash and investments - beginning	964,804	121,414	1,159,330	297,860	4,860	-	9,839
Cash and investments - ending	\$ 455,762	\$ 102,750	\$ 1,224,987	\$ 578,870	\$ 3,652	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 455,762	\$ 102,750	\$ 1,224,987	\$ 578,870	\$ 3,652	\$ -	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 455,762</b>	<b>\$ 102,750</b>	<b>\$ 1,224,987</b>	<b>\$ 578,870</b>	<b>\$ 3,652</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	455,762	102,750	1,224,987	578,870	3,652	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 455,762</b>	<b>\$ 102,750</b>	<b>\$ 1,224,987</b>	<b>\$ 578,870</b>	<b>\$ 3,652</b>	<b>\$ -</b>	<b>\$ -</b>

CROWN POINT 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)

	TRI KAPPA					Gifted and Talented
	Gifted and Talented	Pop Machine	Ophelia Project	Indy Colts	Miscellaneous Grant	
Receipts:						
Local sources	\$ -	\$ 82,163	\$ 15,000	\$ -	\$ 500	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	56,435
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	82,163	15,000	-	500	56,435
Disbursements:						
Current:						
Instruction	4	-	12,098	103	-	58,733
Support services	-	99,178	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	4	99,178	12,098	103	-	58,733
Excess (deficiency) of receipts over disbursements	(4)	(17,015)	2,902	(103)	500	(2,298)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4)	(17,015)	2,902	(103)	500	(2,298)
Cash and investments - beginning	200	46,003	1,609	264	-	2,298
Cash and investments - ending	\$ 196	\$ 28,988	\$ 4,511	\$ 161	\$ 500	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 196	\$ 28,988	\$ 4,511	\$ 161	\$ 500	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 196	\$ 28,988	\$ 4,511	\$ 161	\$ 500	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	196	28,988	4,511	161	500	-
Total cash and investment fund balance - ending	\$ 196	\$ 28,988	\$ 4,511	\$ 161	\$ 500	\$ -

CROWN POINT 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)

	Computer Consortium	New English Program	Technology Fund	ISAIP	CPCF Safehaven	Fund Title I
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 299	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	135,000	25,952	98,864	-	-	-
Federal sources	-	-	-	-	-	488,965
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>135,000</b>	<b>25,952</b>	<b>99,163</b>	<b>-</b>	<b>-</b>	<b>488,965</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	23,949	-	2,145	395	392,572
Support services	111,749	-	127,236	-	-	64,805
Noninstructional services	-	-	-	-	-	16,802
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>111,749</b>	<b>23,949</b>	<b>127,236</b>	<b>2,145</b>	<b>395</b>	<b>474,179</b>
Excess (deficiency) of receipts over disbursements	23,251	2,003	(28,073)	(2,145)	(395)	14,786
<b>Other financing sources (uses):</b>						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	26,616
Transfers out	-	-	-	-	-	(21,906)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,710</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,251	2,003	(28,073)	(2,145)	(395)	19,496
Cash and investments - beginning	(23,251)	2,110	154,595	4,890	395	74,793
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,113</u>	<u>\$ 126,522</u>	<u>\$ 2,745</u>	<u>\$ -</u>	<u>\$ 94,289</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 4,113	\$ 126,522	\$ 2,745	\$ -	\$ 94,289
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 4,113</u>	<u>\$ 126,522</u>	<u>\$ 2,745</u>	<u>\$ -</u>	<u>\$ 94,289</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,113	126,522	2,745	-	94,289
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 4,113</u>	<u>\$ 126,522</u>	<u>\$ 2,745</u>	<u>\$ -</u>	<u>\$ 94,289</u>

CROWN POINT 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)

	School					
	Improvement Grant	ESEA Title V	Drug Free	Robotics Grant	Title II 04/05	Title II 05/06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	36,210	-	11,465	514	75,806	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<u>36,210</u>	<u>-</u>	<u>11,465</u>	<u>514</u>	<u>75,806</u>	<u>-</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	438	3,380	29,442	10,509	52,953	-
Support services	24,269	-	-	-	12,552	319
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<u>24,707</u>	<u>3,380</u>	<u>29,442</u>	<u>10,509</u>	<u>65,505</u>	<u>319</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>11,503</u>	<u>(3,380)</u>	<u>(17,977)</u>	<u>(9,995)</u>	<u>10,301</u>	<u>(319)</u>
<b>Other financing sources (uses):</b>						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	4,711	-	-	-	-	-
Transfers out	(9,421)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(4,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>6,793</u>	<u>(3,380)</u>	<u>(17,977)</u>	<u>(9,995)</u>	<u>10,301</u>	<u>(319)</u>
<b>Cash and investments - beginning</b>	<u>6,280</u>	<u>3,380</u>	<u>20,552</u>	<u>995</u>	<u>16,123</u>	<u>319</u>
<b>Cash and investments - ending</b>	<u>\$ 13,073</u>	<u>\$ -</u>	<u>\$ 2,575</u>	<u>\$ (9,000)</u>	<u>\$ 26,424</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 13,073	\$ -	\$ 2,575	\$ (9,000)	\$ 26,424	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 13,073</u>	<u>\$ -</u>	<u>\$ 2,575</u>	<u>\$ (9,000)</u>	<u>\$ 26,424</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13,073	-	2,575	(9,000)	26,424	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 13,073</u>	<u>\$ -</u>	<u>\$ 2,575</u>	<u>\$ (9,000)</u>	<u>\$ 26,424</u>	<u>\$ -</u>

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

	Title III	Title II Part B	Pension Debt Service	School Bus Replacement	New Middle School	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 1,067,345	\$ 393,365	\$ -	\$ 6,404,353
Intermediate sources	-	-	-	-	-	2,812
State sources	-	-	-	-	-	1,712,959
Federal sources	18,037	7,975	-	-	-	1,114,298
Interfund loans	-	-	600,000	800,000	-	2,800,000
Other	-	-	-	1,168	-	1,168
<b>Total receipts</b>	<b>18,037</b>	<b>7,975</b>	<b>1,667,345</b>	<b>1,194,533</b>	<b>-</b>	<b>12,035,590</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	12,435	8,511	-	-	-	730,872
Support services	-	-	-	414,848	-	4,815,945
Noninstructional services	-	-	-	-	-	2,447,346
Facilities acquisition and construction	-	-	-	-	1,373,335	1,373,335
Debt services	-	-	1,120,033	-	-	1,120,033
Nonprogrammed charges	-	-	-	-	-	72,875
Interfund loans	-	-	575,000	425,000	-	2,725,000
<b>Total disbursements</b>	<b>12,435</b>	<b>8,511</b>	<b>1,695,033</b>	<b>839,848</b>	<b>1,373,335</b>	<b>13,285,406</b>
Excess (deficiency) of receipts over disbursements	5,602	(536)	(27,688)	354,685	(1,373,335)	(1,249,816)
<b>Other financing sources (uses):</b>						
Proceeds of long-term debt	-	-	-	-	216,874	216,874
Transfers in	-	-	-	-	-	31,327
Transfers out	-	-	-	-	-	(31,327)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>216,874</b>	<b>216,874</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,602	(536)	(27,688)	354,685	(1,156,461)	(1,032,942)
Cash and investments - beginning	999	-	55,303	505,021	1,156,461	4,587,446
Cash and investments - ending	<u>\$ 6,601</u>	<u>\$ (536)</u>	<u>\$ 27,615</u>	<u>\$ 859,706</u>	<u>\$ -</u>	<u>\$ 3,554,504</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 6,601	\$ (536)	\$ -	\$ 859,706	\$ -	\$ 3,526,889
Restricted assets:						
Cash and investments	-	-	27,615	-	-	27,615
<b>Total cash and investment assets - ending</b>	<u>\$ 6,601</u>	<u>\$ (536)</u>	<u>\$ 27,615</u>	<u>\$ 859,706</u>	<u>\$ -</u>	<u>\$ 3,554,504</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 27,615	\$ -	\$ -	\$ 27,615
Unrestricted	6,601	(536)	-	859,706	-	3,526,889
<b>Total cash and investment fund balance - ending</b>	<u>\$ 6,601</u>	<u>\$ (536)</u>	<u>\$ 27,615</u>	<u>\$ 859,706</u>	<u>\$ -</u>	<u>\$ 3,554,504</u>

CROWN POINT 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, 2009

	Transportation Operating	Special Ed Preschool	School Lunch	Textbook Rental	Education Plate Distribution	Workforce Development	Safehavens
Receipts:							
Local sources	\$ 3,002,060	\$ 36,937	\$ 2,038,725	\$ 214,424	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	3,188	-	-
State sources	-	134,044	46,059	1,148,785	-	16,103	2,544
Federal sources	14,874	-	621,615	-	-	-	-
Temporary loans	1,692,206	-	-	-	-	-	-
Other	445	-	-	-	-	-	-
<b>Total receipts</b>	<b>4,709,585</b>	<b>170,981</b>	<b>2,706,399</b>	<b>1,363,209</b>	<b>3,188</b>	<b>16,103</b>	<b>2,544</b>
Disbursements:							
Current:							
Instruction	-	-	-	-	4,730	-	-
Support services	2,936,230	-	2,196	1,569,629	-	-	2,544
Noninstructional services	-	-	2,828,685	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	156,750	-	-	-	-	-
Interfund loans	1,400,000	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,336,230</b>	<b>156,750</b>	<b>2,830,881</b>	<b>1,569,629</b>	<b>4,730</b>	<b>-</b>	<b>2,544</b>
Excess (deficiency) of receipts over disbursements	373,355	14,231	(124,482)	(206,420)	(1,542)	16,103	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	373,355	14,231	(124,482)	(206,420)	(1,542)	16,103	-
Cash and investments - beginning	455,762	102,750	1,224,987	578,870	3,652	-	-
Cash and investments - ending	\$ 829,117	\$ 116,981	\$ 1,100,505	\$ 372,450	\$ 2,110	\$ 16,103	\$ -
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 829,117	\$ 116,981	\$ 1,100,505	\$ 372,450	\$ 2,110	\$ 16,103	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 829,117</b>	<b>\$ 116,981</b>	<b>\$ 1,100,505</b>	<b>\$ 372,450</b>	<b>\$ 2,110</b>	<b>\$ 16,103</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	829,117	116,981	1,100,505	372,450	2,110	16,103	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 829,117</b>	<b>\$ 116,981</b>	<b>\$ 1,100,505</b>	<b>\$ 372,450</b>	<b>\$ 2,110</b>	<b>\$ 16,103</b>	<b>\$ -</b>

CROWN POINT 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, 2009  
 (Continued)

	TRI KAPPA					Gifted and Talented
	Gifted and Talented	Pop Machine	Ophelia Project	Indy Colts	Miscellaneous Grant	Gifted and Talented
<b>Receipts:</b>						
Local sources	\$ -	\$ 76,086	\$ 8,000	\$ 4,225	\$ 3,050	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	56,435
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>76,086</b>	<b>8,000</b>	<b>4,225</b>	<b>3,050</b>	<b>56,435</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	196	-	12,509	932	1,329	56,435
Support services	-	35,869	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>196</b>	<b>35,869</b>	<b>12,509</b>	<b>932</b>	<b>1,329</b>	<b>56,435</b>
Excess (deficiency) of receipts over disbursements	(196)	40,217	(4,509)	3,293	1,721	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(196)	40,217	(4,509)	3,293	1,721	-
Cash and investments - beginning	196	28,988	4,511	161	500	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 69,205</u>	<u>\$ 2</u>	<u>\$ 3,454</u>	<u>\$ 2,221</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 69,205	\$ 2	\$ 3,454	\$ 2,221	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 69,205</u>	<u>\$ 2</u>	<u>\$ 3,454</u>	<u>\$ 2,221</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	69,205	2	3,454	2,221	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 69,205</u>	<u>\$ 2</u>	<u>\$ 3,454</u>	<u>\$ 2,221</u>	<u>\$ -</u>

CROWN POINT 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, 2009  
 (Continued)

	New English Program	Technology Fund	ISAIP	Miscellaneous Programs	IAPSS Events	Fund Title I
<b>Receipts:</b>						
Local sources	\$ -	\$ 60,288	\$ -	\$ -	\$ 1,000	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	23,235	55,607	-	50,500	-	-
Federal sources	-	-	-	-	-	542,172
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<u>23,235</u>	<u>115,895</u>	<u>-</u>	<u>50,500</u>	<u>1,000</u>	<u>542,172</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	23,257	-	2,745	-	-	478,180
Support services	-	30,350	-	998	279	50,342
Noninstructional services	-	-	-	-	-	40,867
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<u>23,257</u>	<u>30,350</u>	<u>2,745</u>	<u>998</u>	<u>279</u>	<u>569,389</u>
Excess (deficiency) of receipts over disbursements	<u>(22)</u>	<u>85,545</u>	<u>(2,745)</u>	<u>49,502</u>	<u>721</u>	<u>(27,217)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	42,653
Transfers out	-	-	-	-	-	(42,653)
<b>Total other financing sources (uses)</b>	<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>(22)</u>	<u>85,545</u>	<u>(2,745)</u>	<u>49,502</u>	<u>721</u>	<u>(27,217)</u>
Cash and investments - beginning	<u>4,113</u>	<u>126,522</u>	<u>2,745</u>	<u>-</u>	<u>-</u>	<u>94,289</u>
Cash and investments - ending	<u>\$ 4,091</u>	<u>\$ 212,067</u>	<u>\$ -</u>	<u>\$ 49,502</u>	<u>\$ 721</u>	<u>\$ 67,072</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 4,091	\$ 212,067	\$ -	\$ 49,502	\$ 721	\$ 67,072
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 4,091</u>	<u>\$ 212,067</u>	<u>\$ -</u>	<u>\$ 49,502</u>	<u>\$ 721</u>	<u>\$ 67,072</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>4,091</u>	<u>212,067</u>	<u>-</u>	<u>49,502</u>	<u>721</u>	<u>67,072</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,091</u>	<u>\$ 212,067</u>	<u>\$ -</u>	<u>\$ 49,502</u>	<u>\$ 721</u>	<u>\$ 67,072</u>

CROWN POINT 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, 2009  
 (Continued)

	School Improvement Grant	ESEA Title V	Drug Free	Other Federal Programs	Robotics Grant	Title II 04/05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	8,500	9,793	27,417	6,000	16,500	172,672
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>8,500</b>	<b>9,793</b>	<b>27,417</b>	<b>6,000</b>	<b>16,500</b>	<b>172,672</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	9,635	25,453	-	7,500	26,424
Support services	21,573	-	-	6,000	-	153,271
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>21,573</b>	<b>9,635</b>	<b>25,453</b>	<b>6,000</b>	<b>7,500</b>	<b>179,695</b>
Excess (deficiency) of receipts over disbursements	(13,073)	158	1,964	-	9,000	(7,023)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,073)	158	1,964	-	9,000	(7,023)
Cash and investments - beginning	13,073	-	2,575	-	(9,000)	26,424
Cash and investments - ending	<u>\$ -</u>	<u>\$ 158</u>	<u>\$ 4,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,401</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 158	\$ 4,539	\$ -	\$ -	\$ 19,401
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 158</u>	<u>\$ 4,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,401</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	158	4,539	-	-	19,401
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 158</u>	<u>\$ 4,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,401</u>

CROWN POINT 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, 2009  
 (Continued)

	Title III	Title II Part B	Pension Debt Service	School Bus Replacement	New Middle School	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 1,127,974	\$ 806,913	\$ 128,977	\$ 7,508,659
Intermediate sources	-	-	-	-	-	3,188
State sources	-	-	-	-	-	1,533,312
Federal sources	24,450	25,857	-	-	-	1,469,850
Temporary loans	-	-	519,031	-	-	2,211,237
Other	-	-	-	-	-	445
<b>Total receipts</b>	<b>24,450</b>	<b>25,857</b>	<b>1,647,005</b>	<b>806,913</b>	<b>128,977</b>	<b>12,726,691</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	28,311	25,321	-	-	-	702,957
Support services	-	-	-	742,720	-	5,552,001
Noninstructional services	-	-	-	-	-	2,869,552
Facilities acquisition and construction	-	-	-	-	65,808	65,808
Debt services	-	-	563,648	-	-	563,648
Nonprogrammed charges	-	-	-	-	-	156,750
Interfund loans	-	-	600,000	800,000	-	2,800,000
<b>Total disbursements</b>	<b>28,311</b>	<b>25,321</b>	<b>1,163,648</b>	<b>1,542,720</b>	<b>65,808</b>	<b>12,710,716</b>
Excess (deficiency) of receipts over disbursements	(3,861)	536	483,357	(735,807)	63,169	15,975
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	42,653
Transfers out	-	-	-	-	-	(42,653)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,861)	536	483,357	(735,807)	63,169	15,975
Cash and investments - beginning	6,601	(536)	27,615	859,706	-	3,554,504
Cash and investments - ending	<u>\$ 2,740</u>	<u>\$ -</u>	<u>\$ 510,972</u>	<u>\$ 123,899</u>	<u>\$ 63,169</u>	<u>\$ 3,570,479</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 2,740	\$ -	\$ -	\$ 123,899	\$ 63,169	\$ 3,059,507
Restricted assets:						
Cash and investments	-	-	510,972	-	-	510,972
<b>Total cash and investment assets - ending</b>	<u>\$ 2,740</u>	<u>\$ -</u>	<u>\$ 510,972</u>	<u>\$ 123,899</u>	<u>\$ 63,169</u>	<u>\$ 3,570,479</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 510,972	\$ -	\$ -	\$ 510,972
Unrestricted	2,740	-	-	123,899	63,169	3,059,507
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,740</u>	<u>\$ -</u>	<u>\$ 510,972</u>	<u>\$ 123,899</u>	<u>\$ 63,169</u>	<u>\$ 3,570,479</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2008

	Self- Insurance	CPS Self- Insurance	Totals
Operating receipts:			
Employer contributions	\$ 569,548	\$ 762,010	\$ 1,331,558
Employee contributions	211,909	190,908	402,817
Miscellaneous	15,591	-	15,591
	<u>797,048</u>	<u>952,918</u>	<u>1,749,966</u>
Total operating receipts			
Operating disbursements:			
Insurance claims and expense	<u>975,001</u>	<u>724,608</u>	<u>1,699,609</u>
Excess (deficiency) of operating receipts over operating disbursements	(177,953)	228,310	50,357
Transfers in	1,355,259	-	1,355,259
Transfers out	<u>-</u>	<u>(1,355,259)</u>	<u>(1,355,259)</u>
Change in net assets	1,177,306	(1,126,949)	50,357
Cash and investment fund balance - beginning	<u>-</u>	<u>1,126,949</u>	<u>1,126,949</u>
Cash and investment fund balance - ending	<u>\$ 1,177,306</u>	<u>\$ -</u>	<u>\$ 1,177,306</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	<u>\$ 1,177,306</u>	<u>\$ -</u>	<u>\$ 1,177,306</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	<u>\$ 1,177,306</u>	<u>\$ -</u>	<u>\$ 1,177,306</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2008

	<u>Retirement/ Severance Bond</u>	<u>Post-Retirement/ Severance Future Benefit</u>	<u>Totals</u>
Additions:			
Investment earnings:			
Interest	\$ 112,507	\$ 16,057	\$ 128,564
Deductions:			
Benefits	<u>269,961</u>	<u>179,282</u>	<u>449,243</u>
Excess (deficiency) of total additions over total deductions	(157,454)	(163,225)	(320,679)
Cash and investment fund balance - beginning	<u>3,087,004</u>	<u>554,013</u>	<u>3,641,017</u>
Cash and investment fund balance - ending	<u>\$ 2,929,550</u>	<u>\$ 390,788</u>	<u>\$ 3,320,338</u>
Net assets:			
Cash and investments	\$ 2,929,550	\$ 390,788	\$ 3,320,338
Total net assets - cash and investment basis held in trust	<u>\$ 2,929,550</u>	<u>\$ 390,788</u>	<u>\$ 3,320,338</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2009

	<u>Retirement/ Severance Bond</u>	<u>Post-Retirement/ Severance Future Benefit</u>	<u>Totals</u>
Additions:			
Investment earnings:			
Interest	\$ 28,704	\$ 4,277	\$ 32,981
Deductions:			
Benefits	<u>616,560</u>	<u>21,213</u>	<u>637,773</u>
Excess (deficiency) of total additions over total deductions	(587,856)	(16,936)	(604,792)
Cash and investment fund balance - beginning	<u>2,929,550</u>	<u>390,788</u>	<u>3,320,338</u>
Cash and investment fund balance - ending	<u>\$ 2,341,694</u>	<u>\$ 373,852</u>	<u>\$ 2,715,546</u>
Net assets:			
Cash and investments	<u>\$ 2,341,694</u>	<u>\$ 373,852</u>	<u>\$ 2,715,546</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,341,694</u>	<u>\$ 373,852</u>	<u>\$ 2,715,546</u>

CROWN POINT 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

	Tony Cook Memorial Fund	Scholarship Fund	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 5,600	\$ 5,600
Deductions:			
Administrative and general	-	1,850	1,850
Excess (deficiency) of total additions over total deductions	-	3,750	3,750
Cash and investment fund balance - beginning	1,000	15,703	16,703
Cash and investments - June 30	<u>\$ 1,000</u>	<u>\$ 19,453</u>	<u>\$ 20,453</u>
Net assets:			
Cash and investments	<u>\$ 1,000</u>	<u>\$ 19,453</u>	<u>\$ 20,453</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,000</u>	<u>\$ 19,453</u>	<u>\$ 20,453</u>

CROWN POINT 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, 2009

	Athletic Fund	Tony Cook Memorial Fund	Scholarship Fund	Totals
Additions:				
Contributions:				
Other	\$ 10,705	\$ -	\$ 9,225	\$ 19,930
Deductions:				
Administrative and general	10,705	-	10,105	20,810
Excess (deficiency) of total additions over total deductions	-	-	(880)	(880)
Cash and investment fund balance - beginning	-	1,000	19,453	20,453
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 18,573</u>	<u>\$ 19,573</u>
Net assets:				
Cash and investments	\$ -	\$ 1,000	\$ 18,573	\$ 19,573
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 18,573</u>	<u>\$ 19,573</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUND  
 For the Year Ended June 30, 2008

	Payroll
Additions:	
Agency fund additions	\$ 9,064,789
Deductions:	
Agency fund deductions	9,042,156
Excess (deficiency) of total additions over total deductions	22,633
Cash and investment fund balance - beginning	158,654
Cash and investment fund balance - ending	\$ 181,287

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUND  
 For the Year Ended June 30, 2009

	Payroll
Additions:	
Agency fund additions	\$ 9,778,783
Deductions:	
Agency fund deductions	9,690,097
Excess (deficiency) of total additions over total deductions	88,686
Cash and investment fund balance - beginning	181,287
Cash and investment fund balance - ending	\$ 269,973

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2009

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	\$ 4,170,482
Buildings	160,058,000
Improvements other than buildings	3,855,341
Machinery and equipment	16,203,236
Construction in progress	<u>13,500,153</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 197,787,212</u></u>

CROWN POINT COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Crown Point Multi-School Building Corporation, Refinanced Building Renovations, New Middle School	\$ 62,025,000	\$ 4,476,070
Crown Point Multi-School Building Corporation, Expansion of Crown Point High School	17,640,000	1,147,538
Crown Point Multi-School Building Corporation, New Elementary	2,425,000	264,500
Crown Point Multi-School Building Corporation, Renovation and Expansion Projects	27,360,000	1,699,462
Crown Point Multi-School Building Corporation, New High School	44,560,454	6,322,150
Notes and loans payable:		
Common School Loans	14,432,397	2,273,002
Veterans Memorial Loan	232,833	26,345
Bonds payable:		
General obligation bonds:		
Pension Bonds, Series 2004	9,865,000	1,696,121
Total governmental activities debt	<u>\$ 178,540,684</u>	<u>\$ 17,905,188</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 CROWN POINT COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Crown Point 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, 2008 and 2009. 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, 2008 and 2009.

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.

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

December 7, 2009

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 29,998	\$ 74,605
National School Lunch Program	10.555		<u>634,308</u>	<u>732,987</u>
Total for federal grantor agency			<u>664,306</u>	<u>807,592</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Pass-Through Indiana Criminal Justice Institute Supervised Visitation, Safe Havens for Children	16.527	06-SH-014 08-SH-024	9,838	-
			<u>-</u>	<u>2,544</u>
Total for federal grantor agency			<u>9,838</u>	<u>2,544</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	07-4660 08-4660 09-4660	151,145 347,741 <u>-</u>	- 126,507 <u>447,752</u>
Total for cluster			<u>498,886</u>	<u>574,259</u>
Pass-Through Indiana State University Special Education - Grants to States	84.027		-	<u>6,000</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186	05-852 06-4660 07-4660 08-4660	15,264 14,177 - <u>-</u>	- 2,575 15,788 <u>7,091</u>
Total for program			<u>29,441</u>	<u>25,454</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243	6-64 C1-8-CPR-7-64 C1-9-CPR-8-64	1,509 9,000 <u>-</u>	- - <u>7,500</u>
Total for program			<u>10,509</u>	<u>7,500</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298	05-112 06-4660 07-4660	2,162 1,218 <u>-</u>	- - <u>9,635</u>
Total for program			<u>3,380</u>	<u>9,635</u>
Education Technology State Grants	84.318	06/07	<u>320</u>	-
English Language Acquisition Grants	84.365	SY 06/07 SY 07/08 SY 08/09	1,000 11,435 <u>-</u>	- 6,601 <u>21,710</u>
Total for program			<u>12,435</u>	<u>28,311</u>
Improving Teacher Quality State Grants	84.367	05-037 06-4660 07-4660 08-4660	2,011 63,493 - <u>-</u>	- 26,424 143,814 <u>11,926</u>
Total for program			<u>65,504</u>	<u>182,164</u>
Total for federal grantor agency			<u>620,475</u>	<u>833,323</u>
Total federal awards expended			<u>\$ 1,294,619</u>	<u>\$ 1,643,459</u>

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

CROWN POINT 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 Crown Point Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporation 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, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2008	2009
Child Nutrition Cluster	\$ 112,970	\$ 137,586

CROWN POINT 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:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title 1, Part A Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2009, with Matthew D. Ruess, Chief Financial Officer/Treasurer; Dr. Teresa A. Eineman, Superintendent of Schools; Scott Angel, Vice President of the School Board; and Gene Williams, Deputy Treasurer. Our audit disclosed no material items that warrant comment at this time.