

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

AUDIT REPORT

OF

EDINBURGH COMMUNITY SCHOOL CORPORATION

JOHNSON COUNTY, INDIANA

July 1, 2007 to June 30, 2009



**FILED**  
03/23/2010



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tamara Lewis	07-01-07 to 06-30-10
Superintendent of Schools	Richard Arkanoff	07-01-07 to 06-30-10
President of the School Board	Cathy Hamm	01-01-08 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE EDINBURGH COMMUNITY  
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Edinburgh 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, 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 10, 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 10, 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 EDINBURGH COMMUNITY  
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Edinburgh 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 10, 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 10, 2009

EDINBURGH 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	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,949,789	\$ -	\$ 112,304	\$ (4,837,485)
Support services	2,447,818	185,852	216,029	(2,045,937)
Noninstructional services	408,747	-	-	(408,747)
Facilities acquisition and construction	398,092	-	-	(398,092)
Debt service	831,020	-	-	(831,020)
Nonprogrammed charges	233,562	-	-	(233,562)
Total governmental activities	\$ 9,269,028	\$ 185,852	\$ 328,333	(8,754,843)
General receipts:				
Property taxes				3,338,009
Other local sources				524,625
State aid				4,324,874
Bonds and loans				664,075
Grants and contributions not restricted to specific programs				414,680
Sale of property				169
Investment earnings				64,706
Other				3,313
Total general receipts				9,334,451
Change in net assets				579,608
Net assets - beginning				663,701
Net assets - ending				\$ 1,243,309
<u>Assets</u>				
Cash and investments				\$ 1,115,825
Restricted assets:				
Cash and investments				127,484
Total assets				\$ 1,243,309
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 127,484
Unrestricted				1,115,825
Total net assets				\$ 1,243,309

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

EDINBURGH 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>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,893,408	\$ -	\$ 138,541	\$ (4,754,867)
Support services	2,811,594	182,325	303,718	(2,325,551)
Noninstructional services	421,435	-	-	(421,435)
Facilities acquisition and construction	194,314	-	-	(194,314)
Debt service	1,507,773	-	-	(1,507,773)
Nonprogrammed charges	88,159	-	-	(88,159)
<b>Total governmental activities</b>	<b><u>\$ 9,916,683</u></b>	<b><u>\$ 182,325</u></b>	<b><u>\$ 442,259</u></b>	<b><u>(9,292,099)</u></b>
General receipts:				
Property taxes				2,622,178
Other local sources				482,197
State aid				4,928,915
Grants and contributions not restricted to specific programs				927,193
Sale of property				596
Investment earnings				22,102
Other				26,039
<b>Total general receipts</b>				<b><u>9,009,220</u></b>
Change in net assets				(282,879)
Net assets - beginning				<u>1,243,309</u>
Net assets - ending				<b><u>\$ 960,430</u></b>
<u>Assets</u>				
Cash and investments				\$ 912,205
Restricted assets:				
Cash and investments				<u>48,225</u>
<b>Total assets</b>				<b><u>\$ 960,430</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 48,225
Unrestricted				<u>912,205</u>
<b>Total net assets</b>				<b><u>\$ 960,430</u></b>

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

EDINBURGH 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	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 1,945,463	\$ 720,358	\$ 837,242	\$ 609,660	\$ 4,112,723
Intermediate sources	94	-	-	375	469
State sources	4,397,856	-	-	98,039	4,495,895
Federal sources	-	-	-	571,993	571,993
Temporary loans	590,379	-	-	73,696	664,075
Interfund loans	-	-	85,000	130,000	215,000
Other	78	-	-	3,234	3,312
<b>Total receipts</b>	<b>6,933,870</b>	<b>720,358</b>	<b>922,242</b>	<b>1,486,997</b>	<b>10,063,467</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	4,557,539	-	-	392,250	4,949,789
Support services	1,711,689	-	461,887	274,242	2,447,818
Noninstructional services	7,994	-	-	400,753	408,747
Facilities acquisition and construction	7,627	-	390,465	-	398,092
Debt services	1,534	626,688	-	202,798	831,020
Nonprogrammed charges	189,756	-	-	43,806	233,562
Interfund loans	-	-	-	215,000	215,000
<b>Total disbursements</b>	<b>6,476,139</b>	<b>626,688</b>	<b>852,352</b>	<b>1,528,849</b>	<b>9,484,028</b>
Excess (deficiency) of receipts over disbursements	457,731	93,670	69,890	(41,852)	579,439
<b>Other financing sources (uses)</b>					
Sale of capital assets	169	-	-	-	169
Transfers in	13,457	-	-	15,790	29,247
Transfers out	-	(11,959)	-	(17,288)	(29,247)
<b>Total other financing sources (uses)</b>	<b>13,626</b>	<b>(11,959)</b>	<b>-</b>	<b>(1,498)</b>	<b>169</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	471,357	81,711	69,890	(43,350)	579,608
Cash and investments - beginning	305,450	45,773	79,527	232,951	663,701
Cash and investments - ending	\$ 776,807	\$ 127,484	\$ 149,417	\$ 189,601	\$ 1,243,309
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 776,807	\$ -	\$ 149,417	\$ 189,601	\$ 1,115,825
Restricted assets:					
Cash and investments	-	127,484	-	-	127,484
<b>Total cash and investment assets - ending</b>	<b>\$ 776,807</b>	<b>\$ 127,484</b>	<b>\$ 149,417</b>	<b>\$ 189,601</b>	<b>\$ 1,243,309</b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ 127,484	\$ -	\$ -	\$ 127,484
Unrestricted	776,807	-	149,417	189,601	1,115,825
<b>Total cash and investment fund balance - ending</b>	<b>\$ 776,807</b>	<b>\$ 127,484</b>	<b>\$ 149,417</b>	<b>\$ 189,601</b>	<b>\$ 1,243,309</b>

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

EDINBURGH 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 ARRA	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 1,403,178	\$ -	\$ 564,412	\$ 662,923	\$ 674,025	\$ 3,304,538
Intermediate sources	3,681	-	-	-	581	4,262
State sources	5,035,388	-	-	-	81,006	5,116,394
Federal sources	-	542,156	-	-	639,817	1,181,973
Interfund loans	-	-	-	52,348	389,309	441,657
Other	25,000	-	-	480	559	26,039
<b>Total receipts</b>	<b>6,467,247</b>	<b>542,156</b>	<b>564,412</b>	<b>715,751</b>	<b>1,785,297</b>	<b>10,074,863</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	4,478,322	23,098	-	-	391,988	4,893,408
Support services	2,055,026	21,846	-	480,649	254,073	2,811,594
Noninstructional services	-	-	-	-	421,435	421,435
Facilities acquisition and construction	-	-	-	194,314	-	194,314
Debt services	598,812	-	629,478	-	279,483	1,507,773
Nonprogrammed charges	60,647	-	-	-	27,512	88,159
Interfund loans	-	-	-	137,348	304,309	441,657
<b>Total disbursements</b>	<b>7,192,807</b>	<b>44,944</b>	<b>629,478</b>	<b>812,311</b>	<b>1,678,800</b>	<b>10,358,340</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(725,560)</b>	<b>497,212</b>	<b>(65,066)</b>	<b>(96,560)</b>	<b>106,497</b>	<b>(283,477)</b>
<b>Other financing sources (uses)</b>						
Sale of capital assets	596	-	-	-	-	596
Transfers in	22,818	-	-	-	29,629	52,447
Transfers out	-	-	(14,622)	-	(37,825)	(52,447)
<b>Total other financing sources (uses)</b>	<b>23,414</b>	<b>-</b>	<b>(14,622)</b>	<b>-</b>	<b>(8,196)</b>	<b>596</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(702,146)</b>	<b>497,212</b>	<b>(79,688)</b>	<b>(96,560)</b>	<b>98,301</b>	<b>(282,881)</b>
<b>Cash and investments - beginning</b>	<b>776,807</b>	<b>-</b>	<b>127,484</b>	<b>149,417</b>	<b>189,601</b>	<b>1,243,309</b>
<b>Cash and investments - ending</b>	<b>\$ 74,661</b>	<b>\$ 497,212</b>	<b>\$ 47,796</b>	<b>\$ 52,857</b>	<b>\$ 287,902</b>	<b>\$ 960,430</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 74,661	\$ 497,212	\$ -	\$ 52,857	\$ 287,473	\$ 912,205
Restricted assets:						
Cash and investments	-	-	47,796	-	429	48,225
<b>Total cash and investment assets - ending</b>	<b>\$ 74,661</b>	<b>\$ 497,212</b>	<b>\$ 47,796</b>	<b>\$ 52,857</b>	<b>\$ 287,902</b>	<b>\$ 960,430</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 47,796	\$ -	\$ 429	\$ 48,225
Unrestricted	74,661	497,212	-	52,857	287,473	912,205
<b>Total cash and investment fund balance - ending</b>	<b>\$ 74,661</b>	<b>\$ 497,212</b>	<b>\$ 47,796</b>	<b>\$ 52,857</b>	<b>\$ 287,902</b>	<b>\$ 960,430</b>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
	Retirement/ Severance Bond		
Additions:			
Contributions:			
Other	\$ -	\$ 53,047	
Total contributions	-	53,047	
Investment earnings:			
Interest	-	1,815	
Total investment earnings	-	1,815	
Net investment earnings	-	1,815	
Total additions	-	54,862	
Deductions:			
Benefits	72,155	-	
Administrative and general	-	32,481	
Total deductions	72,155	32,481	
Excess (deficiency) of total additions over total deductions	(72,155)	22,381	
Cash and investment fund balance - beginning	334,046	37,568	
Cash and investment fund balance - ending	\$ 261,891	\$ 59,949	\$ 33,570
Net assets:			
Cash and investments	\$ 261,891	\$ 59,949	
Total net assets - cash and investment basis held in trust	\$ 261,891	\$ 59,949	

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

EDINBURGH 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 Funds
Additions:			
Contributions:			
Other	\$ -	\$ 23,797	
Total contributions	-	23,797	
Investment earnings:			
Interest	-	249	
Total investment earnings	-	249	
Net investment earnings	-	249	
Total additions	-	24,046	
Deductions:			
Benefits	59,568	-	
Administrative and general	-	36,664	
Total deductions	59,568	36,664	
Excess (deficiency) of total additions over total deductions	(59,568)	(12,618)	
Cash and investment fund balance - beginning	261,891	59,949	
Cash and investment fund balance - ending	\$ 202,323	\$ 47,331	\$ 8,439
Net assets:			
Cash and investments	\$ 202,323	\$ 47,331	
Total net assets - cash and investment basis held in trust	\$ 202,323	\$ 47,331	

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

EDINBURGH 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: Edinburgh 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 Bartholomew Consolidated School Corporation, Brown County School Corporation, Crothersville Community Schools, Decatur County Community Schools, Greensburg Community Schools, Flatrock-Hawcreek School Corporation, and Seymour Community Schools in a joint venture to operate AC4 Columbus Area Career Connection which was created to provide vocational educational services. AC4 Columbus Area Career Connection's continued existence depends on continued funding by the School Corporation. Complete financial statements for the AC4 Columbus Area Career Connection can be obtained from the joint venture's administrative office at Bartholomew Consolidated School Corporation, 1200 Central Avenue, Columbus, IN 47201.

The School Corporation is a participant with Greenwood Community School Corporation, Clark-Pleasant Community School Corporation, Center Grove Community School Corporation, Franklin Community School Corporation, and Nineveh-Hensley-Jackson United School Corporation in a joint venture to operate Special Services – Johnson County Schools which was created to provide a comprehensive program of special education for handicapped children in Johnson County. Special Services – Johnson County School's continued existence depends on continued funding by the School Corporation. Complete financial statements for Special Services – Johnson County Schools can be obtained from the joint venture's administrative office at 500 Earlywood Drive, Franklin, IN 46131.

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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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.

Fiscal stabilization-education (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit individuals, private organizations and other governments.

Agency funds account for assets held by the School Corporation as an agent for payroll.

C. Measurement Focus and Basis of Accounting

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

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

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental 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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

As of June 30, 2009, the School Corporation did not have investments.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
Debt Service	Other governmental funds	\$ -	\$ 14,622
Other governmental funds	General Fund	-	22,818
Other governmental funds	Other governmental funds	-	15,007
Other governmental funds	General Fund	13,457	-
Other governmental funds	Other governmental funds	3,831	-
Debt Service	Other governmental funds	11,959	-
Totals		<u>\$ 29,247</u>	<u>\$ 52,447</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassified	New Funds	Prior Period Adjustment	Balance as Restated July 1, 2007
Other governmental	\$ 210,319	\$ 22,632	\$ -	\$ -	\$ 232,951
Transportation Operating	39,064	(39,064)	-	-	-
School Bus Replacement	21,136	(21,136)	-	-	-
Private-Purpose Trust Fund	-	37,568	-	-	37,568

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

Medical Benefits

During 1989, the School Corporation joined with other governmental entities to form the South Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 12 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$2,000,000 per lifetime per insured event. The risk pool obtains independent coverage for insured events in excess of the \$225,000 per person limit.

B. Holding Corporation

The School Corporation has entered into a capital leases with Edinburgh Community 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 two year period totaled \$456,303 and \$457,482, respectively.

C. Other Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, eight retirees meet these eligibility requirements. The School Corporation and retirees provide the school board determined amount and the remaining premium balance, respectively, or these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the audit period, disbursements of \$24,030 were recognized for postemployment benefits

D. Subsequent Events

Beginning in 2009, the School Corporation general and special education operating funds' expenses are covered by state support and there will not be a property tax rate levied to support their expenses.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

On the 9th day of December 2009, the Edinburg Community School Corporation approved a resolution to issue First Mortgage Qualified School Construction Bonds, in the aggregate principal amount of \$897.400 to provide funds to construct improvements to Edinburg High School roof replacement at East Side Elementary School and electrical upgrades throughout the School Corporation.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 66,036
Interest on net pension obligation	(4,749)
Adjustment to annual required contribution	5,412
Annual pension cost	66,699
Contributions made	65,035
Increase in net pension obligation	1,664
Net pension obligation, beginning of year	(65,500)
Net pension obligation, end of year	\$ (63,836)

	PERF
Contribution rates:	
School Corporation	8%
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

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 73,073	78%	\$ (51,695)
	06-30-07	60,573	123%	(65,500)
	06-30-08	66,699	98%	(63,836)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

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, 2007, 2008, and 2009, were \$101,288, \$116,023, and \$122,277, respectively.

EDINBURGH 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	1,001,147	1,039,426	(38,279)	96%	909,897	4%
07-01-07	1,149,667	1,219,629	(69,962)	94%	930,511	8%
07-01-08	1,250,236	1,338,316	(88,080)	93%	996,791	9%

EDINBURGH 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	Educational Serv Center - SE/NHJ	Plate Fee Distribution
<b>Receipts:</b>						
Local sources	\$ 168,963	\$ 4,882	\$ 180,145	\$ 67,489	\$ 1,600	\$ -
Intermediate sources	-	-	-	-	-	375
State sources	-	31,850	5,027	28,836	-	-
Federal sources	-	-	182,105	-	-	-
Temporary Loans	-	-	-	-	-	-
Interfund loans	60,000	-	-	-	-	-
Other	2,794	-	240	200	-	-
<b>Total receipts</b>	<b>231,757</b>	<b>36,732</b>	<b>367,517</b>	<b>96,525</b>	<b>1,600</b>	<b>375</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	405	-	-	-	525
Support services	179,359	-	285	67,895	1,600	-
Noninstructional services	-	-	392,312	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	43,806	-	-	-	-
Interfund loans	70,000	-	-	-	-	-
<b>Total disbursements</b>	<b>249,359</b>	<b>44,211</b>	<b>392,597</b>	<b>67,895</b>	<b>1,600</b>	<b>525</b>
Excess (deficiency) of receipts over disbursements	(17,602)	(7,479)	(25,080)	28,630	-	(150)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	11,959	-	-
Transfers out	-	-	-	(13,457)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,498)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,602)	(7,479)	(25,080)	27,132	-	(150)
Cash and investments - beginning	39,064	21,803	56,694	12,190	-	375
Cash and investments - ending	<u>\$ 21,462</u>	<u>\$ 14,324</u>	<u>\$ 31,614</u>	<u>\$ 39,322</u>	<u>\$ -</u>	<u>\$ 225</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 21,462	\$ 14,324	\$ 31,614	\$ 39,322	\$ -	\$ 225
Total cash and investment assets - ending	<u>\$ 21,462</u>	<u>\$ 14,324</u>	<u>\$ 31,614</u>	<u>\$ 39,322</u>	<u>\$ -</u>	<u>\$ 225</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	21,462	14,324	31,614	39,322	-	225
Total cash and investment fund balance - ending	<u>\$ 21,462</u>	<u>\$ 14,324</u>	<u>\$ 31,614</u>	<u>\$ 39,322</u>	<u>\$ -</u>	<u>\$ 225</u>

EDINBURGH 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)

	Gifted/Talented 07-08	Non-English Speaking Program	Technology Plan Grant	Title I 06-07	Title I 07-08	Title V Part A
<b>Receipts:</b>						
Local sources	\$ -	\$ 400	\$ -	\$ -	\$ 329	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	28,920	3,406	-	-	-	-
Federal sources	-	-	-	-	313,124	1,427
Temporary Loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>28,920</b>	<b>3,806</b>	<b>-</b>	<b>-</b>	<b>313,453</b>	<b>1,427</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	28,920	3,353	17,913	17,662	267,582	-
Support services	-	-	4,085	-	1,919	1,427
Noninstructional services	-	-	-	873	4,356	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>28,920</b>	<b>3,353</b>	<b>21,998</b>	<b>18,535</b>	<b>273,857</b>	<b>1,427</b>
Excess (deficiency) of receipts over disbursements	-	453	(21,998)	(18,535)	39,596	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	3,831	-
Transfers out	-	-	-	(3,831)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,831)</b>	<b>3,831</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	453	(21,998)	(22,366)	43,427	-
Cash and investments - beginning	-	87	28,385	22,366	-	-
Cash and investments - ending	\$ -	\$ 540	\$ 6,387	\$ -	\$ 43,427	\$ -
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 540	\$ 6,387	\$ -	\$ 43,427	\$ -
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 540</b>	<b>\$ 6,387</b>	<b>\$ -</b>	<b>\$ 43,427</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	-	540	6,387	-	43,427	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 540</b>	<b>\$ 6,387</b>	<b>\$ -</b>	<b>\$ 43,427</b>	<b>\$ -</b>

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

	Adult Basic Education	Drug Free 07-08	Drug Free 05-07	Drug Free 06-07	Medicaid Reimbursement	Early Childhood School-to-Work 06-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	4,352	-	1,000	61	6,997
Temporary Loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>4,352</b>	<b>-</b>	<b>1,000</b>	<b>61</b>	<b>6,997</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,775	-	-	-	3,478	1,881
Support services	1,145	2,256	443	1,600	-	-
Noninstructional services	-	447	-	2,765	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,920</b>	<b>2,703</b>	<b>443</b>	<b>4,365</b>	<b>3,478</b>	<b>1,881</b>
Excess (deficiency) of receipts over disbursements	(2,920)	1,649	(443)	(3,365)	(3,417)	5,116
<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	(2,920)	1,649	(443)	(3,365)	(3,417)	5,116
Cash and investments - beginning	2,920	-	443	3,365	3,478	(5,116)
Cash and investments - ending	\$ -	\$ 1,649	\$ -	\$ -	\$ 61	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 1,649	\$ -	\$ -	\$ 61	\$ -
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	-	1,649	-	-	61	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61</b>	<b>\$ -</b>

EDINBURGH 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)

	HIP Purdue University	Title II Part A	Retirement/ Severance Bond Fund	Transportation Bus Replacement	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ 100	\$ 120,922	\$ 64,830	\$ 609,660
Intermediate sources	-	-	-	-	375
State sources	-	-	-	-	98,039
Federal sources	-	62,927	-	-	571,993
Temporary Loans	-	-	73,696	-	73,696
Interfund loans	-	-	-	70,000	130,000
Other	-	-	-	-	3,234
<b>Total receipts</b>	<b>-</b>	<b>63,027</b>	<b>194,618</b>	<b>134,830</b>	<b>1,486,997</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	2,073	46,683	-	-	392,250
Support services	205	12,023	-	-	274,242
Noninstructional services	-	-	-	-	400,753
Debt services	-	-	202,798	-	202,798
Nonprogrammed charges	-	-	-	-	43,806
Interfund loans	-	-	-	145,000	215,000
<b>Total disbursements</b>	<b>2,278</b>	<b>58,706</b>	<b>202,798</b>	<b>145,000</b>	<b>1,528,849</b>
Excess (deficiency) of receipts over disbursements	(2,278)	4,321	(8,180)	(10,170)	(41,852)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	15,790
Transfers out	-	-	-	-	(17,288)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,498)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,278)	4,321	(8,180)	(10,170)	(43,350)
Cash and investments - beginning	5,022	12,559	8,180	21,136	232,951
Cash and investments - ending	\$ 2,744	\$ 16,880	\$ -	\$ 10,966	189,601
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 2,744	\$ 16,880	\$ -	\$ 10,966	\$ 189,601
<b>Total cash and investment assets - ending</b>	<b>\$ 2,744</b>	<b>\$ 16,880</b>	<b>\$ -</b>	<b>\$ 10,966</b>	<b>\$ 189,601</b>
<b>Cash and Investment Fund Balance - Ending</b>					
Unrestricted	2,744	16,880	-	10,966	189,601
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,744</b>	<b>\$ 16,880</b>	<b>\$ -</b>	<b>\$ 10,966</b>	<b>\$ 189,601</b>

EDINBURGH 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	Educational Serv Center - SE/NHJ	Plate Fee Distribution
<b>Receipts:</b>						
Local sources	\$ 143,613	\$ 3,503	\$ 175,169	\$ 63,595	\$ 25,000	\$ -
Intermediate sources	-	-	-	-	-	581
State sources	-	18,836	4,607	23,085	-	-
Federal sources	-	-	268,972	-	-	-
Interfund loans	75,000	-	-	-	-	-
Other	-	-	240	319	-	-
<b>Total receipts</b>	<u>218,613</u>	<u>22,339</u>	<u>448,988</u>	<u>86,999</u>	<u>25,000</u>	<u>581</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	22,000	769
Support services	143,726	-	369	84,640	3,000	-
Noninstructional services	-	-	419,403	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	27,512	-	-	-	-
Interfund loans	85,000	-	-	-	-	-
<b>Total disbursements</b>	<u>228,726</u>	<u>27,512</u>	<u>419,772</u>	<u>84,640</u>	<u>25,000</u>	<u>769</u>
Excess (deficiency) of receipts over disbursements	<u>(10,113)</u>	<u>(5,173)</u>	<u>29,216</u>	<u>2,359</u>	<u>-</u>	<u>(188)</u>
<b>Other financing sources (uses):</b>						
Transfers in	73	-	-	14,622	-	-
Transfers out	-	-	-	(22,216)	-	-
<b>Total other financing sources (uses)</b>	<u>73</u>	<u>-</u>	<u>-</u>	<u>(7,594)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,040)</u>	<u>(5,173)</u>	<u>29,216</u>	<u>(5,235)</u>	<u>-</u>	<u>(188)</u>
Cash and investments - beginning	<u>21,462</u>	<u>14,324</u>	<u>31,614</u>	<u>39,322</u>	<u>-</u>	<u>225</u>
Cash and investments - ending	<u>\$ 11,422</u>	<u>\$ 9,151</u>	<u>\$ 60,830</u>	<u>\$ 34,087</u>	<u>\$ -</u>	<u>\$ 37</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 11,422	\$ 9,151	\$ 60,830	\$ 34,087	\$ -	\$ 37
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 11,422</u>	<u>\$ 9,151</u>	<u>\$ 60,830</u>	<u>\$ 34,087</u>	<u>\$ -</u>	<u>\$ 37</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>11,422</u>	<u>9,151</u>	<u>60,830</u>	<u>34,087</u>	<u>-</u>	<u>37</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 11,422</u>	<u>\$ 9,151</u>	<u>\$ 60,830</u>	<u>\$ 34,087</u>	<u>\$ -</u>	<u>\$ 37</u>

EDINBURGH 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)

	Alternative Education Grant	Gifted/Talented 06-07	Non-English Speaking Program	Technology Plan Grant	Title I 06-07	Title I 07-08
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	2,410	28,920	3,148	-	-	-
Federal sources	-	-	-	-	284,142	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<u>2,410</u>	<u>28,920</u>	<u>3,148</u>	<u>-</u>	<u>284,142</u>	<u>-</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,410	28,920	1,755	1,080	248,777	27,350
Support services	-	-	-	5,307	-	-
Noninstructional services	-	-	-	-	889	1,143
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<u>2,410</u>	<u>28,920</u>	<u>1,755</u>	<u>6,387</u>	<u>249,666</u>	<u>28,493</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>1,393</u>	<u>(6,387)</u>	<u>34,476</u>	<u>(28,493)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	14,934	-
Transfers out	-	-	-	-	-	(14,934)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,934</u>	<u>(14,934)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>1,393</u>	<u>(6,387)</u>	<u>49,410</u>	<u>(43,427)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>541</u>	<u>6,387</u>	<u>-</u>	<u>43,427</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,934</u>	<u>\$ -</u>	<u>\$ 49,410</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ 1,934	\$ -	\$ 49,410	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,934</u>	<u>\$ -</u>	<u>\$ 49,410</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	1,934	-	49,410	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,934</u>	<u>\$ -</u>	<u>\$ 49,410</u>	<u>\$ -</u>

EDINBURGH 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)

	<u>Title V Part A</u>	<u>Drug Free 07-08</u>	<u>Drug Free Title IV</u>	<u>Medicaid Reimbursement</u>	<u>HIP Purdue University</u>
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	557	-	4,320	7,054	10,350
Interfund loans	-	-	-	-	-
Other	-	-	-	-	-
	<u>557</u>	<u>-</u>	<u>4,320</u>	<u>7,054</u>	<u>10,350</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	557	-	-	518	8,795
Support services	-	-	155	-	1,308
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Interfund loans	-	-	-	-	-
	<u>557</u>	<u>-</u>	<u>155</u>	<u>518</u>	<u>10,103</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>4,165</u>	<u>6,536</u>	<u>247</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(102)	(573)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102)</u>	<u>(573)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>4,165</u>	<u>6,434</u>	<u>(326)</u>
Cash and investments - beginning	<u>-</u>	<u>1,649</u>	<u>-</u>	<u>61</u>	<u>2,744</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,649</u>	<u>\$ 4,165</u>	<u>\$ 6,495</u>	<u>\$ 2,418</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ 1,649	\$ 4,165	\$ 6,495	\$ 2,418
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,649</u>	<u>\$ 4,165</u>	<u>\$ 6,495</u>	<u>\$ 2,418</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>1,649</u>	<u>4,165</u>	<u>6,495</u>	<u>2,418</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,649</u>	<u>\$ 4,165</u>	<u>\$ 6,495</u>	<u>\$ 2,418</u>

EDINBURGH 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 II Part A	Special Ed Part B Stimulus	Retirement/ Severance Bond Fund	Transportation Bus Replacement	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ 187,951	\$ 75,194	\$ 674,025
Intermediate sources	-	-	-	-	581
State sources	-	-	-	-	81,006
Federal sources	54,422	10,000	-	-	639,817
Interfund loans	-	-	91,961	222,348	389,309
Other	-	-	-	-	559
	<u>54,422</u>	<u>10,000</u>	<u>279,912</u>	<u>297,542</u>	<u>1,785,297</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	49,057	-	-	-	391,988
Support services	15,068	500	-	-	254,073
Noninstructional services	-	-	-	-	421,435
Debt services	-	-	279,483	-	279,483
Nonprogrammed charges	-	-	-	-	27,512
Interfund loans	-	-	-	219,309	304,309
	<u>64,125</u>	<u>500</u>	<u>279,483</u>	<u>219,309</u>	<u>1,678,800</u>
Excess (deficiency) of receipts over disbursements	<u>(9,703)</u>	<u>9,500</u>	<u>429</u>	<u>78,233</u>	<u>106,497</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	29,629
Transfers out	-	-	-	-	(37,825)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,196)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(9,703)</u>	<u>9,500</u>	<u>429</u>	<u>78,233</u>	<u>98,301</u>
Cash and investments - beginning	<u>16,880</u>	<u>-</u>	<u>-</u>	<u>10,966</u>	<u>189,601</u>
Cash and investments - ending	<u>\$ 7,177</u>	<u>\$ 9,500</u>	<u>\$ 429</u>	<u>\$ 89,199</u>	<u>\$ 287,902</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 7,177	\$ 9,500	\$ -	\$ 89,198	\$ 287,473
<b>Restricted assets:</b>					
Cash and investments	-	-	429	-	429
Total cash and investment assets - ending	<u>\$ 7,177</u>	<u>\$ 9,500</u>	<u>\$ 429</u>	<u>\$ 89,198</u>	<u>\$ 287,902</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ 429	\$ -	\$ 429
Unrestricted	<u>7,177</u>	<u>9,500</u>	<u>-</u>	<u>89,198</u>	<u>287,473</u>
Total cash and investment fund balance - ending	<u>\$ 7,177</u>	<u>\$ 9,500</u>	<u>\$ 429</u>	<u>\$ 89,198</u>	<u>\$ 287,902</u>

EDINBURGH 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

	<u>ES SS Borders Book Donations</u>	<u>ES Capt Grant Kgrtn Summer School</u>	<u>ES Target 2006 Grant</u>	<u>ES Clothe A Child Donation</u>	<u>United Way ABE Donations</u>
Additions:					
Contributions:					
Other	\$ 579	\$ 18,511	\$ -	\$ 2,050	\$ 205
Investment earnings:					
Interest	-	-	-	1,815	-
Total investment earnings	-	-	-	1,815	-
Net investment earnings	-	-	-	1,815	-
Total additions	<u>579</u>	<u>18,511</u>	<u>-</u>	<u>3,865</u>	<u>205</u>
Deductions:					
Administrative and general	<u>579</u>	<u>22,159</u>	<u>113</u>	<u>4,326</u>	<u>28</u>
Excess (deficiency) of total additions over total deductions	-	(3,648)	(113)	(461)	177
Cash and investment fund balance - beginning	<u>326</u>	<u>19,469</u>	<u>113</u>	<u>37,812</u>	<u>37</u>
Cash and investments - June 30	<u>\$ 326</u>	<u>\$ 15,821</u>	<u>\$ -</u>	<u>\$ 37,351</u>	<u>\$ 214</u>
Net assets:					
Cash and investments	<u>\$ 326</u>	<u>\$ 15,821</u>	<u>\$ -</u>	<u>\$ 37,351</u>	<u>\$ 214</u>
Total net assets - cash and investment basis held in trust	<u>\$ 326</u>	<u>\$ 15,821</u>	<u>\$ -</u>	<u>\$ 37,351</u>	<u>\$ 214</u>

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

	MS Donations Gift & Trust	Johnson County Foundation Website	Buddy Teaching Shonk Grant	Adult Education State Fund	Totals
Additions:					
Contributions:					
Other	\$ 1,350	\$ 5,000	\$ 500	\$ 24,852	\$ 53,047
Investment earnings:					
Interest	-	-	-	-	1,815
Total investment earnings	-	-	-	-	1,815
Net investment earnings	-	-	-	-	1,815
Total additions	1,350	5,000	500	24,852	54,862
Deductions:					
Administrative and general	1,350	-	-	3,926	32,481
Excess (deficiency) of total additions over total deductions	-	5,000	500	20,926	22,381
Cash and investment fund balance - beginning	-	-	-	(20,189)	37,568
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 500</u>	<u>\$ 737</u>	<u>\$ 59,949</u>
Net assets:					
Cash and investments	\$ -	\$ 5,000	\$ 500	\$ 737	\$ 59,949
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 500</u>	<u>\$ 737</u>	<u>\$ 59,949</u>

EDINBURGH 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

	<u>ES SS Borders Book Donations</u>	<u>ES Capt Grant Kgrtn Summer School</u>	<u>ES Clothe A Child Donation</u>	<u>United Way ABE Donations</u>	<u>MS Donations Gift &amp; Trust</u>
Additions:					
Contributions:					
Other	\$ 3,055	\$ 18,367	\$ 1,732	\$ 143	\$ 500
Investment earnings:					
Interest	-	-	249	-	-
Total investment earnings	-	-	249	-	-
Net investment earnings	-	-	249	-	-
Total additions	<u>3,055</u>	<u>18,367</u>	<u>1,981</u>	<u>143</u>	<u>500</u>
Deductions:					
Administrative and general	<u>326</u>	<u>23,711</u>	<u>5,533</u>	<u>357</u>	<u>500</u>
Excess (deficiency) of total additions over total deductions	2,729	(5,344)	(3,552)	(214)	-
Cash and investment fund balance - beginning	<u>326</u>	<u>15,821</u>	<u>37,351</u>	<u>214</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 3,055</u>	<u>\$ 10,477</u>	<u>\$ 33,799</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 3,055</u>	<u>\$ 10,477</u>	<u>\$ 33,799</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,055</u>	<u>\$ 10,477</u>	<u>\$ 33,799</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH 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  
 (Continued)

	Johnson County Foundation Website	Buddy Teaching Shonk Grant	Adult Education State Fund	Totals
Additions:				
Contributions:				
Other	\$ -	\$ -	\$ -	\$ 23,797
Investment earnings:				
Interest	-	-	-	249
Total investment earnings	-	-	-	249
Net investment earnings	-	-	-	249
Total additions	-	-	-	24,046
Deductions:				
Administrative and general	5,000	500	737	36,664
Excess (deficiency) of total additions over total deductions	(5,000)	(500)	(737)	(12,618)
Cash and investment fund balance - beginning	5,000	500	737	59,949
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,331</u>
Net assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 47,331
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,331</u>

EDINBURGH 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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 55,000
Buildings	8,344,559
Improvements other than buildings	419,397
Machinery and equipment	<u>1,206,162</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 10,025,118</u>

EDINBURGH 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:		
2005 Refinancing of 1995 renovation	\$ 1,265,000	\$ 209,434
2005 Energy renovation	950,000	172,000
2005 Energy savings contract	711,531	124,986
2003 Building project	2,475,000	246,293
2008 HS Copier (G E Capital) Ends 2013	10,585	3,384
2008 ES Copier (I O S Capital) Ends 2013	18,055	5,772
2008 ES 46 Computers (KOCH) Ends 8/12	23,084	8,256
Notes and loans payable:		
Textbook company notes:		
McGraw Hill #165	20,839	10,420
Bonds payable:		
Pension obligation bonds:		
2003 Pension bonds	<u>2,105,000</u>	<u>201,962</u>
Total governmental activities debt	<u>\$ 7,579,094</u>	<u>\$ 982,507</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS (Applies to Edinburgh Eastside Elementary)

Depository reconciliations of the fund balances to the bank account balances were incorrect. A similar comment appeared in prior Report B31769.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

RECEIPT CLASSIFICATION (Applies to Edinburgh Middle/High School)

There were instances in which the classifications on the receipt series did not agree with the corresponding deposit ticket. A similar comment appeared in prior Report B31769.

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

NONUSE OF TICKET SALES FORM SA-4 (Applies to Edinburgh High School)

We noted one instance where the Form SA-4 was not used. After further review of sectional revenue, we noted that no SA-4s were being used for sectionals. A nonapproved form (an excel spreadsheet) was being used to calculate receipts collected for sectionals. No approval signatures were on the nonapproved form.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 EDINBURGH COMMUNITY  
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Edinburgh 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 federal program in order to determine our auditing procedures for the purpose of expressing our opinion

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)

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 10, 2009

EDINBURGH 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>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553			
School Year 2007-2008			\$ 54,546	\$ -
School Year 2008-2009			-	66,085
Total for program			54,546	66,085
National School Lunch Program	10.555			
School Year 2007-2008			172,856	-
School Year 2008-2009			-	212,854
Total for program			172,856	212,854
Total for federal grantor agency			227,402	278,938
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Pass-Through AC4 Columbus Area Career Connection Adult Education-State Grant Program 2007-2008	84.002		2,920	-
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010			
Title I 2007-2008			18,535	286,757
Title I 2008-2009			273,857	28,494
Total for program			292,391	315,250
Safe and Drug Free Schools and Communities-State Grants	84.186			
Title IV, Part A, Safe and Drug-Free Schools FY04			2,704	-
Title IV, Part A, Safe and Drug-Free Schools FY05			-	155
Title IV, Part A, Safe and Drug-Free Schools FY06			443	-
Title IV, Part A, Safe and Drug-Free Schools FY07			4,365	-
Total for program			7,512	155
Pass-Through Indiana Department of Workforce Development Tech Prep Education 2007-2008	84.243		1,881	-
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
Title V, Part A, Innovative Programs 2007-2008			1,427	-
Title V, Part A, Innovative Programs 2008-2009			-	557
Total for program			1,427	557
Improving Teacher Quality State Grants	84.367			
Title II, Part A, Teacher Quality LEA 2007-2008			58,706	-
Title II, Part A, Teacher Quality LEA 2008-2009			-	64,125
Total for program			58,706	64,125
Total for federal grantor agency			364,837	380,087
Pass-Through Indiana Department of Education ARRA - Special Education, Part B 2008-2009	84.391		-	500
Pass-Through Indiana Department of Education ARRA - State Fiscal Stabilization Fund (SFSF) Education State Grants 2008-2009	84.394		-	44,943
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Pass-Through Purdue University Block Grants for Prevention and Treatment of Substance Abuse	93.959			
School Year 2007-2008			2,279	-
School Year 2008-2009			-	10,676
Total for federal grantor agency			2,279	10,676
Total federal awards expended			\$ 594,518	\$ 715,145

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

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
School Breakfast	10.553	\$ 5,516	\$ 6,600
School Lunch	10.555	17,425	20,827

EDINBURGH COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2010, with Richard Arkanoff, Superintendent of Schools; and Tamara Lewis, Treasurer. The officials concurred with our audit findings.