

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

EXAMINATION REPORT  
OF  
SIGNATURE SCHOOL, INC.  
VANDERBURGH COUNTY, INDIANA  
July 1, 2007 to June 30, 2009



**FILED**  
05/21/2010



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OFFICIALS

Office

Official

Term

Treasurer

Susan Parsons

07-01-07 to 06-30-10

President of the  
Governance Board

Robert Koch II

07-01-07 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SIGNATURE SCHOOL, INC., VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of the Signature School, Inc. (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 19, 2010

SIGNATURE SCHOOL, INC.  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 1,330,274	\$ -	\$ 5,773	\$ (1,324,501)
Support services	349,160	36,793	847	(311,520)
Facilities acquisition and construction	270,988	-	-	(270,988)
Debt service	201,434	-	-	(201,434)
<b>Total governmental activities</b>	<b>\$ 2,151,856</b>	<b>\$ 36,793</b>	<b>\$ 6,620</b>	<b>(2,108,443)</b>
General receipts:				
Property taxes				654,157
Other local sources				84,680
State aid				1,210,275
Bonds and loans				192,000
Grants and contributions not restricted to specific programs				13,432
Investment earnings				1,268
Total general receipts				2,155,812
Change in net assets				47,369
Net assets - beginning				100,965
Net assets - ending				\$ 148,334
<u>Assets</u>				
Cash and investments				\$ 148,334
<u>Net Assets</u>				
Unrestricted				\$ 148,334

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

SIGNATURE SCHOOL, INC.  
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	\$ 1,431,487	\$ -	\$ 8,148	\$ (1,423,339)
Support services	394,010	37,849	1,810	(354,351)
Facilities acquisition and construction	341,819	-	-	(341,819)
Debt service	73,448	-	-	(73,448)
<b>Total governmental activities</b>	<b><u>\$ 2,240,764</u></b>	<b><u>\$ 37,849</u></b>	<b><u>\$ 9,958</u></b>	<b><u>(2,192,957)</u></b>
General receipts:				
Property taxes				392,697
Other local sources				99,512
State aid				1,439,307
Bonds and loans				65,000
Grants and contributions not restricted to specific programs				209,960
Investment earnings				<u>638</u>
<b>Total general receipts</b>				<b><u>2,207,114</u></b>
Change in net assets				14,157
Net assets - beginning				<u>148,334</u>
Net assets - ending				<b><u>\$ 162,491</u></b>
 <u>Assets</u>				
Cash and investments				<b><u>\$ 162,491</u></b>
 <u>Net Assets</u>				
Unrestricted				<b><u>\$ 162,491</u></b>

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

SIGNATURE SCHOOL, INC.  
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	Textbook Rental	Other	Totals
<b>Receipts:</b>				
Local sources	\$ 741,787	\$ 35,111	\$ -	\$ 776,898
State sources	1,216,048	847	-	1,216,895
Federal sources	-	-	13,432	13,432
Temporary loans	192,000	-	-	192,000
<b>Total receipts</b>	<u>2,149,835</u>	<u>35,958</u>	<u>13,432</u>	<u>2,199,225</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Instruction	1,304,370	25,725	179	1,330,274
Support services	333,767	-	15,393	349,160
Facilities acquisition and construction	270,988	-	-	270,988
Debt services	201,434	-	-	201,434
<b>Total disbursements</b>	<u>2,110,559</u>	<u>25,725</u>	<u>15,572</u>	<u>2,151,856</u>
Excess (deficiency) of receipts over disbursements	<u>39,276</u>	<u>10,233</u>	<u>(2,140)</u>	<u>47,369</u>
Cash and investments - beginning	<u>72,883</u>	<u>23,843</u>	<u>4,239</u>	<u>100,965</u>
Cash and investments - ending	<u>\$ 112,159</u>	<u>\$ 34,076</u>	<u>\$ 2,099</u>	<u>\$ 148,334</u>
<b><u>Cash and Investment Assets - Ending</u></b>				
Cash and investments	<u>\$ 112,159</u>	<u>\$ 34,076</u>	<u>\$ 2,099</u>	<u>\$ 148,334</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>				
Unrestricted	<u>\$ 112,159</u>	<u>\$ 34,076</u>	<u>\$ 2,099</u>	<u>\$ 148,334</u>

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

SIGNATURE SCHOOL, INC.  
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	Textbook Rental	Other	Totals
<b>Receipts:</b>				
Local sources	\$ 488,346	\$ 42,351	\$ -	\$ 530,697
State sources	1,447,855	1,810	627	1,450,292
Federal sources	-	-	208,932	208,932
Temporary loans	65,000	-	-	65,000
<b>Total receipts</b>	<b>2,001,201</b>	<b>44,161</b>	<b>209,559</b>	<b>2,254,921</b>
<b>Disbursements:</b>				
<b>Current:</b>				
Instruction	1,277,111	48,744	105,632	1,431,487
Support services	334,675	-	59,335	394,010
Facilities acquisition and construction	304,104	-	37,715	341,819
Debt services	73,448	-	-	73,448
<b>Total disbursements</b>	<b>1,989,338</b>	<b>48,744</b>	<b>202,682</b>	<b>2,240,764</b>
Excess (deficiency) of receipts over disbursements	11,863	(4,583)	6,877	14,157
Cash and investments - beginning	112,159	34,076	2,099	148,334
Cash and investments - ending	<u>\$ 124,022</u>	<u>\$ 29,493</u>	<u>\$ 8,976</u>	<u>\$ 162,491</u>
<b><u>Cash and Investment Assets - Ending</u></b>				
Cash and investments	<u>\$ 124,022</u>	<u>\$ 29,493</u>	<u>\$ 8,976</u>	<u>\$ 162,491</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>				
Unrestricted	<u>\$ 124,022</u>	<u>\$ 29,493</u>	<u>\$ 8,976</u>	<u>\$ 162,491</u>

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

SIGNATURE SCHOOL, INC.  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ <u>25</u>
Deductions:	
Administrative and general	<u>397</u>
Deficiency of total additions over total deductions	(372)
Cash and investment fund balance - beginning	<u>4,380</u>
Cash and investment fund balance - ending	<u>\$ 4,008</u>
Net assets:	
Cash and investments	<u>\$ 4,008</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,008</u>

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

SIGNATURE SCHOOL, INC.  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Deductions:	
Administrative and general	<u>\$ 550</u>
Cash and investment fund balance - beginning	<u>4,008</u>
Cash and investment fund balance - ending	<u><u>\$ 3,458</u></u>
Net assets:	
Cash and investments	<u>\$ 3,458</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 3,458</u></u>

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

SIGNATURE SCHOOL, INC.  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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 under Indiana Code 20-5-5. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets - Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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, liabilities, 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 textbook rental fund accounts for all receipts of fees collected for rent of textbooks and workbooks furnished to students; also, to record all disbursements for purchase of textbooks.

Additionally, the School Corporation reports the following fund type:

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

SIGNATURE SCHOOL, INC.  
NOTES TO FINANCIAL INFORMATION  
(Continued)

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and 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

SIGNATURE SCHOOL, INC.  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

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

SIGNATURE SCHOOL, INC.  
 NOTES TO FINANCIAL INFORMATION  
 (Continued)

B. Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's 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 members' 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:

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

Funding Policy and Annual Pension Cost

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.

Note 7. 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.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2007</u>	<u>Fund Reclassification</u>	<u>Balance as Reclassified July 1, 2007</u>
Governmental	\$ 102,034	\$ (1,069)	\$ 100,965
Private-purpose trust	3,311	1,069	4,380

SIGNATURE SCHOOL, INC.  
 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

	Non-English Speaking Program	P.L. 107-110 Title V, Part A	Drug Free School	Title II, Part A	Totals
Receipts:					
Federal sources	\$ -	\$ 343	\$ 429	\$ 12,660	\$ 13,432
Total receipts	<u>-</u>	<u>343</u>	<u>429</u>	<u>12,660</u>	<u>13,432</u>
Disbursements:					
Current:					
Instruction	-	-	179	-	179
Support services	-	1,354	1,187	12,852	15,393
Total disbursements	<u>-</u>	<u>1,354</u>	<u>1,366</u>	<u>12,852</u>	<u>15,572</u>
Deficiency of receipts over disbursements	<u>-</u>	<u>(1,011)</u>	<u>(937)</u>	<u>(192)</u>	<u>(2,140)</u>
Cash and investments - beginning	<u>24</u>	<u>1,011</u>	<u>952</u>	<u>2,252</u>	<u>4,239</u>
Cash and investments - ending	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 2,060</u>	<u>\$ 2,099</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 2,060</u>	<u>\$ 2,099</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 2,060</u>	<u>\$ 2,099</u>

SIGNATURE SCHOOL, INC.  
 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

	Non-English Speaking Program	P.L. 107-110 Title V, Part A	IDEA P.L. 101-476	Drug Free School	Other Federal Programs	Title II, Part A	Fiscal Stabilization	Totals
Receipts:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 627	\$ -	\$ -	\$ 627
Federal sources	-	134	33,587	391	-	13,598	161,222	208,932
Total receipts	-	134	33,587	391	627	13,598	161,222	209,559
Disbursements:								
Current:								
Instruction	-	-	-	-	627	1,607	103,398	105,632
Support services	-	-	13,984	144	-	5,495	39,712	59,335
Facilities acquisition and construction	-	-	19,603	-	-	-	18,112	37,715
Total disbursements	-	-	33,587	144	627	7,102	161,222	202,682
Excess of receipts over disbursements	-	134	-	247	-	6,496	-	6,877
Cash and investments - beginning	24	-	-	15	-	2,060	-	2,099
Cash and investments - ending	\$ 24	\$ 134	\$ -	\$ 262	\$ -	\$ 8,556	\$ -	\$ 8,976
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 24	\$ 134	\$ -	\$ 262	\$ -	\$ 8,556	\$ -	\$ 8,976
<u>Cash and Investment Fund Balance - Ending</u>								
Unrestricted	\$ 24	\$ 134	\$ -	\$ 262	\$ -	\$ 8,556	\$ -	\$ 8,976

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

	<u>Scholarship</u>	<u>Instructional Support</u>	<u>Scholarship and Awards</u>	<u>Passport</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 25	\$ -	\$ 25
Deductions:					
Administrative and general	-	315	-	82	397
Excess (deficiency) of total additions over total deductions	-	(315)	25	(82)	(372)
Cash and investment fund balance - beginning	<u>1,069</u>	<u>357</u>	<u>100</u>	<u>2,854</u>	<u>4,380</u>
Cash and investments - June 30	<u>\$ 1,069</u>	<u>\$ 42</u>	<u>\$ 125</u>	<u>\$ 2,772</u>	<u>\$ 4,008</u>
Net assets:					
Cash and investments	<u>\$ 1,069</u>	<u>\$ 42</u>	<u>\$ 125</u>	<u>\$ 2,772</u>	<u>\$ 4,008</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,069</u>	<u>\$ 42</u>	<u>\$ 125</u>	<u>\$ 2,772</u>	<u>\$ 4,008</u>

SIGNATURE SCHOOL, INC.  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009

	<u>Scholarship</u>	<u>Instructional Support</u>	<u>Scholarship and Awards</u>	<u>Passport</u>	<u>Totals</u>
Deductions:					
Administrative and general	\$ 500	\$ -	\$ -	\$ 50	\$ 550
Deficiency of total additions over total deductions	(500)	-	-	(50)	(550)
Cash and investment fund balance - beginning	<u>1,069</u>	<u>42</u>	<u>125</u>	<u>2,772</u>	<u>4,008</u>
Cash and investments - June 30	<u>\$ 569</u>	<u>\$ 42</u>	<u>\$ 125</u>	<u>\$ 2,722</u>	<u>\$ 3,458</u>
Net assets:					
Cash and investments	\$ 569	\$ 42	\$ 125	\$ 2,722	\$ 3,458
Total net assets - cash and investment basis held in trust	<u>\$ 569</u>	<u>\$ 42</u>	<u>\$ 125</u>	<u>\$ 2,722</u>	<u>\$ 3,458</u>

SIGNATURE SCHOOL, INC.  
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:	
Machinery and equipment	\$ <u>215,904</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 215,904</u>

SIGNATURE SCHOOL, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable:		
Common School Loan	\$ 86,992	\$ 8,988
Total governmental activities debt	<u>\$ 86,992</u>	<u>\$ 8,988</u>

SIGNATURE SCHOOL, INC.  
EXIT CONFERENCE

The contents of this report were discussed on January 19, 2010, with Susan Parsons, Treasurer; and Ashley Basham, Accountant. Our examination disclosed no material items that warrant comment at this time.