

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

AUDIT REPORT

OF

DELPHI COMMUNITY SCHOOL CORPORATION

CARROLL COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED

01/10/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Handlin	07-01-08 to 06-30-11
Superintendent of Schools	Ralph Walker	07-01-08 to 06-30-11
President of the School Board	Robert Resler	07-01-08 to 06-30-11



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 DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delphi Community School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 November 9, 2010, 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 integral part of 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents 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 Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

November 9, 2010



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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 DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delphi Community School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 9, 2010. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2010-001 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2010-001 to be a material weakness.

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

November 9, 2010

DELPHI 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:					
Instruction	\$ 6,312,970	\$ -	\$ 223,118	\$ -	\$ (6,089,852)
Support services	5,922,178	380,643	415,352	-	(5,126,183)
Noninstructional services	922,784	-	-	-	(922,784)
Facilities acquisition and construction	1,169,641	-	-	1,165,000	(4,641)
Debt service	4,494,368	-	-	-	(4,494,368)
Nonprogrammed charges	946,229	-	-	-	(946,229)
Total governmental activities	<u>\$ 19,768,170</u>	<u>\$ 380,643</u>	<u>\$ 638,470</u>	<u>\$ 1,165,000</u>	<u>(17,584,057)</u>
General receipts:					
Property taxes					6,875,831
Other local sources					1,370,702
State aid					7,528,305
Bonds and loans					2,000,000
Grants and contributions not restricted to specific programs					1,503,060
Investment earnings					12,745
Other					19,623
Total general receipts					<u>19,310,266</u>
Change in net assets					1,726,209
Net assets - beginning					<u>1,644,878</u>
Net assets - ending					<u>\$ 3,371,087</u>
Assets					
Cash and investments					\$ 3,371,087
Restricted assets:					
Cash and investments					<u>-</u>
Total assets					<u>\$ 3,371,087</u>
Net Assets					
Restricted for:					
Debt service					\$ -
Unrestricted					<u>3,371,087</u>
Total net assets					<u>\$ 3,371,087</u>

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

DELPHI COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,936,164	\$ -	\$ 228,403	\$ (6,707,761)
Support services	5,481,561	358,902	514,969	(4,607,690)
Noninstructional services	989,220	-	-	(989,220)
Facilities acquisition and construction	1,867,038	-	-	(1,867,038)
Debt service	3,644,148	-	-	(3,644,148)
Nonprogrammed charges	874,517	-	-	(874,517)
Total governmental activities	<u>\$ 19,792,648</u>	<u>\$ 358,902</u>	<u>\$ 743,372</u>	<u>(18,690,374)</u>
General receipts:				
Property taxes				6,119,251
Other local sources				1,426,288
State aid				9,718,973
Bonds and loans				537,084
Grants and contributions not restricted to specific programs				896,110
Investment earnings				3,132
Other				<u>137,807</u>
Total general receipts				<u>18,838,645</u>
Change in net assets				148,271
Net assets - beginning				<u>3,371,087</u>
Net assets - ending				<u>\$ 3,519,358</u>
<u>Assets</u>				
Cash and investments				\$ 3,211,449
Restricted assets:				
Cash and investments				<u>307,909</u>
Total assets				<u>\$ 3,519,358</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 307,909
Unrestricted				<u>3,211,449</u>
Total net assets				<u>\$ 3,519,358</u>

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

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

	General	Transportation Operating	Rainy Day	School Lunch	Fiscal Stabilization	Debt Service	Capital Projects	Construction	Other	Totals
Receipts:										
Local sources	\$ 3,026,592	\$ 1,039,744	\$ -	\$ 354,860	\$ -	\$ 2,229,500	\$ 1,396,412	\$ -	\$ 592,063	\$ 8,639,171
Intermediate sources	543	-	-	-	-	-	-	-	206	749
State sources	7,732,793	-	-	9,510	-	-	-	-	230,979	7,973,282
Federal sources	-	-	-	348,473	846,761	-	-	-	501,319	1,696,553
Temporary loans	2,000,000	-	-	-	-	-	-	-	-	2,000,000
Other	-	5,129	-	2,543	-	-	10,910	1,165,000	1,041	1,184,623
Total receipts	12,759,928	1,044,873	-	715,386	846,761	2,229,500	1,407,322	1,165,000	1,325,608	21,494,378
Disbursements:										
Current:										
Instruction	5,699,466	-	-	-	-	-	-	-	613,503	6,312,969
Support services	3,703,730	1,163,331	-	1,814	-	-	549,789	-	503,513	5,922,177
Noninstructional services	205,535	-	-	709,622	-	-	-	-	7,627	922,784
Facilities acquisition and construction	-	-	231,895	-	-	-	835,931	65,185	36,630	1,169,641
Debt services	2,000,000	-	-	-	-	2,260,560	46,078	-	187,731	4,494,369
Nonprogrammed charges	946,229	-	-	-	-	-	-	-	-	946,229
Total disbursements	12,554,960	1,163,331	231,895	711,436	-	2,260,560	1,431,798	65,185	1,349,004	19,768,169
Excess (deficiency) of receipts over disbursements	204,968	(118,458)	(231,895)	3,950	846,761	(31,060)	(24,476)	1,099,815	(23,396)	1,726,209
Other financing sources (uses):										
Transfers in	-	-	575,000	-	-	-	-	-	293,482	868,482
Transfers out	(11,976)	-	(168,105)	-	-	(400,000)	-	-	(288,401)	(868,482)
Total other financing sources (uses)	(11,976)	-	406,895	-	-	(400,000)	-	-	5,081	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	192,992	(118,458)	175,000	3,950	846,761	(431,060)	(24,476)	1,099,815	(18,315)	1,726,209
Cash and investments - beginning	939,993	(106,288)	522,809	420,202	-	209,305	(358,550)	-	17,407	1,644,878
Cash and investments - ending	\$ 1,132,985	\$ (224,746)	\$ 697,809	\$ 424,152	\$ 846,761	\$ (221,755)	\$ (383,026)	\$ 1,099,815	\$ (908)	\$ 3,371,087
Cash and Investment Assets - Ending										
Cash and investments	\$ 1,132,985	\$ (224,746)	\$ 697,809	\$ 424,152	\$ 846,761	\$ (221,755)	\$ (383,026)	\$ 1,099,815	\$ (908)	\$ 3,371,087
Restricted assets:										
Cash and investments	-	-	-	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,132,985	\$ (224,746)	\$ 697,809	\$ 424,152	\$ 846,761	\$ (221,755)	\$ (383,026)	\$ 1,099,815	\$ (908)	\$ 3,371,087
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,132,985	(224,746)	697,809	424,152	846,761	(221,755)	(383,026)	1,099,815	(908)	3,371,087
Total cash and investment fund balance - ending	\$ 1,132,985	\$ (224,746)	\$ 697,809	\$ 424,152	\$ 846,761	\$ (221,755)	\$ (383,026)	\$ 1,099,815	\$ (908)	\$ 3,371,087

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

DELPHI COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Transportation Operating	Rainy Day	School Lunch	Fiscal Stabilization	Debt Service	Capital Projects	Construction	General Obligation Bonds 2009	Other	Totals
Receipts:											
Local sources	\$ 471,158	\$ 1,999,886	\$ 28,202	\$ 326,065	\$ -	\$ 2,022,246	\$ 2,068,592	\$ 4,875	\$ -	\$ 972,222	\$ 7,893,246
Intermediate sources	14,232	-	-	-	-	-	-	-	-	94	14,326
State sources	9,926,194	-	-	9,348	-	-	-	-	-	190,247	10,125,789
Federal sources	-	-	-	441,834	333,037	-	-	-	-	457,795	1,232,666
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Other	18,199	8,635	-	663	-	-	9,879	-	-	100,431	137,807
Total receipts	10,429,783	2,008,521	28,202	777,910	333,037	2,022,246	2,078,471	4,875	-	1,720,789	19,403,834
Disbursements:											
Current:											
Instruction	5,327,328	-	-	-	1,179,798	-	-	-	-	429,037	6,936,163
Support services	2,848,734	1,263,325	-	4,067	-	-	712,397	-	75,856	577,182	5,481,561
Noninstructional services	231,138	-	-	744,262	-	-	-	-	-	13,820	989,220
Facilities acquisition and construction	-	-	-	-	-	-	671,781	864,852	62,430	267,975	1,867,038
Debt services	2,000,000	-	-	-	-	1,395,497	59,320	-	-	189,331	3,644,148
Nonprogrammed charges	874,517	-	-	-	-	-	-	-	-	-	874,517
Total disbursements	11,281,717	1,263,325	-	748,329	1,179,798	1,395,497	1,443,498	864,852	138,286	1,477,345	19,792,647
Excess (deficiency) of receipts over disbursements	(851,934)	745,196	28,202	29,581	(846,761)	626,749	634,973	(859,977)	(138,286)	243,444	(388,813)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	537,084	-	537,084
Transfers in	21,637	-	325,000	-	-	-	-	-	-	37,958	384,595
Transfers out	-	-	(25,000)	-	-	(200,000)	-	-	-	(159,595)	(384,595)
Total other financing sources (uses)	21,637	-	300,000	-	-	(200,000)	-	-	537,084	(121,637)	537,084
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(830,297)	745,196	328,202	29,581	(846,761)	426,749	634,973	(859,977)	398,798	121,807	148,271
Cash and investments - beginning	1,132,985	(224,746)	697,809	424,152	846,761	(221,755)	(383,026)	1,099,815	-	(908)	3,371,087
Cash and investments - ending	\$ 302,688	\$ 520,450	\$ 1,026,011	\$ 453,733	\$ -	\$ 204,994	\$ 251,947	\$ 239,838	\$ 398,798	\$ 120,899	\$ 3,519,358
Cash and Investment Assets - Ending											
Cash and investments	\$ 302,688	\$ 520,450	\$ 1,026,011	\$ 453,733	\$ -	\$ -	\$ 251,947	\$ 239,838	\$ 398,798	\$ 17,984	\$ 3,211,449
Restricted assets:											
Cash and investments	-	-	-	-	-	204,994	-	-	-	102,915	307,909
Total cash and investment assets - ending	\$ 302,688	\$ 520,450	\$ 1,026,011	\$ 453,733	\$ -	\$ 204,994	\$ 251,947	\$ 239,838	\$ 398,798	\$ 120,899	\$ 3,519,358
Cash and Investment Fund Balance - Ending											
Restricted for:											
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,994	\$ -	\$ -	\$ -	\$ 102,915	\$ 307,909
Other purposes	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	302,688	520,450	1,026,011	453,733	-	-	251,947	239,838	398,798	17,984	3,211,449
Total cash and investment fund balance - ending	\$ 302,688	\$ 520,450	\$ 1,026,011	\$ 453,733	\$ -	\$ 204,994	\$ 251,947	\$ 239,838	\$ 398,798	\$ 120,899	\$ 3,519,358

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 3,048	
Total contributions	<u>-</u>	<u>3,048</u>	
Investment earnings:			
Interest	-	1,756	
Dividends	<u>-</u>	<u>-</u>	
Total investment earnings	-	1,756	
Less investment disbursements	<u>-</u>	<u>-</u>	
Net investment earnings	<u>-</u>	<u>1,756</u>	
Total additions	<u>-</u>	<u>4,804</u>	
Deductions:			
Benefits	81,211	-	
Administrative and general	<u>-</u>	<u>5,616</u>	
Total deductions	<u>81,211</u>	<u>5,616</u>	
Deficiency of total additions over total deductions	(81,211)	(812)	
Cash and investment fund balance - beginning	<u>282,197</u>	<u>94,185</u>	
Cash and investment fund balance - ending	<u>\$ 200,986</u>	<u>\$ 93,373</u>	<u>\$ 71,571</u>
Net assets:			
Cash and investments	<u>\$ 200,986</u>	<u>\$ 93,373</u>	<u>\$ 71,571</u>
Total net assets - cash and investment basis held in trust	<u>\$ 200,986</u>	<u>\$ 93,373</u>	<u>\$ 71,571</u>

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

DELPHI COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 2,651
Total contributions	-	2,651
Total additions	-	2,651
Deductions:		
Benefits	200,986	-
Administrative and general	-	4,336
Total deductions	200,986	4,336
Deficiency of total additions over total deductions	(200,986)	(1,685)
Cash and investment fund balance - beginning	200,986	93,373
Cash and investment fund balance - ending	\$ -	\$ 91,688
Net assets:		
Cash and investments	\$ -	\$ 91,688
Total net assets - cash and investment basis held in trust	\$ -	\$ 91,688

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Delphi Community School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant in a joint venture to operate Indian Trails Career Corporation which was created to engage in the joint employment of personnel and joint purchases of supplies, equipment, and facilities to provide programs and services for vocational education. The Indian Trails Career Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Indian Trails Career Corporation can be obtained from the Twin Lakes School Corporation at 565 South Main Street, Monticello, Indiana 47960.

The School Corporation is a participant in a joint venture to operate Logansport Area Joint Special Services Cooperative (LAJSSC) which was created to provide instruction for special needs children. The Logansport Area Joint Special Services Cooperative (LAJSSC)'s continued existence depends on continued funding by the School Corporation. Complete financial statements for the Logansport Area Joint Special Services Cooperative (LAJSSC) can be obtained from LAJSSC office at 1501 Meadowlawn Avenue, Logansport, Indiana 46947.

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

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.

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

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

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

The fiscal stabilization fund accounts for receipts and disbursements of the cash received from the federal government to be used to supplement funding of local, state and federal programs.

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

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

The construction fund is used to account for disbursements for capital outlay from receipts derived from the sale of general obligation bonds or other outside sources.

The general obligation bonds 2009 fund is used to account for disbursements for capital outlay from receipts derived from the sale of general obligation bonds.

Additionally, the School Corporation reports the following fund types:

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

4. 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.

5. Long-Term Debt

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

6. 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."

Fund Financial Statements

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

E. Receipts and Disbursements

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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund 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 in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and 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 – 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 activities within the primary government.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the

DELPHI COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

B. Cash and Investment Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009	2010
Debt Service	\$ 221,775	\$ -
Capital Projects	383,026	-
Transportation Operating	224,746	-
Special Education Preschool	4,089	-
Textbook Rental	45,813	-
Adult Education State Reimbursement	8,116	9,727
Migrant Grant 2008-09	217	-
Title II-B Vocational Grant	3,323	-
High School/Middle School Science Wing	-	217,775

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

III. Detailed Notes on All Funds

A. Deposits and Investments

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. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the bank balance held at Regions Bank in the amount of \$3,640,000 was collateralized with securities held by the pledging institution's trust department or agent but not in the depositor-school's name. The remaining 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.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ 11,976	\$ -
Debt Service Fund	Rainy Day Fund	400,000	200,000
Rainy Day Fund	Other Governmental Funds	168,105	25,000
Other Governmental Funds	General Fund	-	21,637
Other Governmental Funds	Rainy Day Fund	175,000	125,000
Other Governmental Funds	Other Governmental Funds	113,401	12,958
Totals		<u>\$ 868,482</u>	<u>\$ 384,595</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions. Transfers were made to the Rainy Day Fund.

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the school. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent the reclassification of private-purpose trust funds to special revenue funds.

Opinion Unit	Balance as Reported June 30, 2008	Fund Reclassification	Balance as Restated January 1, 2009
Net Assets	\$ 1,640,842	\$ 4,039	\$ 1,644,881
Private-Purpose Trust	98,224	(4,039)	94,185

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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The School Corporation has entered into a capital lease with Delphi Community Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 were \$949,000 each year.

C. Subsequent Events

The School Corporation has entered into a new capital lease with Delphi Community Multi-School Building Corporation for the renovation and expansion of the High School and Middle School buildings. The Building Corporation has issued \$4,000,000 in bonds on September 11, 2010, to fund these improvements. The new lease will extend until 2023.

D. 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$140,834.

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Annual required contribution	\$ 69,476
Interest on net pension obligation	(13,236)
Adjustment to annual required contribution	15,084
Annual pension cost	71,324
Contributions made	68,242
Increase (decrease) in net pension obligation	3,082
Net pension obligation, beginning of year	(182,567)
Net pension obligation, end of year	\$ (179,485)

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

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's contributions to the plan during the period were \$317,887.

DELPHI COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 1,190,501	\$ 1,053,499	\$ 137,002	113%	\$ 1,153,860	12%
07-01-08	1,226,864	1,195,662	31,202	103%	1,157,927	3%
07-01-09	1,220,321	1,295,071	(74,750)	94%	1,242,682	(6%)

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Special Education Preschool	Textbook Rental	Childcare Program	Education Plate Fee Distribution	Safe School Haven	Early Counseling Intervention Grant	Indiana State Achievement Grant
Receipts:							
Local sources	\$ 8,005	\$ 96,859	\$ 7,126	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	206	-	-	-
State sources	23,454	57,368	-	-	-	1,500	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	1,041	-	-	-	-	-
Total receipts	31,459	155,268	7,126	206	-	1,500	-
Disbursements:							
Current:							
Instruction	76,045	-	-	715	-	-	1,082
Support services	-	307,785	-	-	2,000	-	-
Noninstructional services	-	-	6,075	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	76,045	307,785	6,075	715	2,000	-	1,082
Excess (deficiency) of receipts over disbursements	(44,586)	(152,517)	1,051	(509)	(2,000)	1,500	(1,082)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	168,105	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(2,900)
Total other financing sources (uses)	-	168,105	-	-	-	-	(2,900)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(44,586)	15,588	1,051	(509)	(2,000)	1,500	(3,982)
Cash and investments - beginning	40,497	(61,401)	-	910	2,000	-	4,039
Cash and investments - ending	\$ (4,089)	\$ (45,813)	\$ 1,051	\$ 401	\$ -	\$ 1,500	\$ 57
Cash and Investment Assets - Ending							
Cash and investments	\$ (4,089)	\$ (45,813)	\$ 1,051	\$ 401	\$ -	\$ 1,500	\$ 57
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (4,089)	\$ (45,813)	\$ 1,051	\$ 401	\$ -	\$ 1,500	\$ 57
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	(4,089)	(45,813)	1,051	401	-	1,500	57
Total cash and investment fund balance - ending	\$ (4,089)	\$ (45,813)	\$ 1,051	\$ 401	\$ -	\$ 1,500	\$ 57

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Indiana Youth Institute Grant	Biomedical Sciences Grant	High Ability Grant	Adult Education State Reimbursement	Non English Speaking Program	2nd Grade Laptop Grant 2009	Tech Grant Round 2 Group 6/2008
Receipts:							
Local sources	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	15,771	-	5,439	13,192	36,630	77,625
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	750	15,771	-	5,439	13,192	36,630	77,625
Disbursements:							
Current:							
Instruction	750	16,619	(947)	8,351	12,774	-	77,466
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	36,630	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	750	16,619	(947)	8,351	12,774	36,630	77,466
Excess (deficiency) of receipts over disbursements	-	(848)	947	(2,912)	418	-	159
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	2,900	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	2,900	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,052	947	(2,912)	418	-	159
Cash and investments - beginning	-	-	(947)	(5,204)	(418)	-	-
Cash and investments - ending	\$ -	\$ 2,052	\$ -	\$ (8,116)	\$ -	\$ -	\$ 159
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 2,052	\$ -	\$ (8,116)	\$ -	\$ -	\$ 159
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,052	\$ -	\$ (8,116)	\$ -	\$ -	\$ 159
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	2,052	-	(8,116)	-	-	159
Total cash and investment fund balance - ending	\$ -	\$ 2,052	\$ -	\$ (8,116)	\$ -	\$ -	\$ 159

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Farm Ground Rental	Title I 2007-2008	Title I 2008-2009	Title V Part A	Migrant Grant 2007-08	Migrant Grant 2008-09	Title II-B Vocational Grant
Receipts:							
Local sources	\$ 1,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	93,445	126,139	998	120,491	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	1,688	93,445	126,139	998	120,491	-	-
Disbursements:							
Current:							
Instruction	-	58,674	121,431	-	51,744	64,514	-
Support services	-	9,595	21,139	342	-	4,450	-
Noninstructional services	-	260	1,292	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	68,529	143,862	342	51,744	68,964	-
Excess (deficiency) of receipts over disbursements	1,688	24,916	(17,723)	656	68,747	(68,964)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	11,976	-	30,681	-	-	68,747	-
Transfers out	-	(30,681)	-	-	(68,747)	-	-
Total other financing sources (uses)	11,976	(30,681)	30,681	-	(68,747)	68,747	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,664	(5,765)	12,958	656	-	(217)	-
Cash and investments - beginning	-	5,765	-	-	-	-	(3,323)
Cash and investments - ending	\$ 13,664	\$ -	\$ 12,958	\$ 656	\$ -	\$ (217)	\$ (3,323)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 13,664	\$ -	\$ 12,958	\$ 656	\$ -	\$ (217)	\$ (3,323)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 13,664	\$ -	\$ 12,958	\$ 656	\$ -	\$ (217)	\$ (3,323)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	13,664	-	12,958	656	-	(217)	(3,323)
Total cash and investment fund balance - ending	\$ 13,664	\$ -	\$ 12,958	\$ 656	\$ -	\$ (217)	\$ (3,323)

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title V A Drug Free Grant	Title II Dwight D Eisenhower	Tech Prep Career Major 2007-08	Tech Prep Career Major 2008-09	USDA Agriculture Grant/ Purdue	Project Lead The Way Wired Grant Middle School
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,604	-	33,924	2,845	15,000	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	4,604	-	33,924	2,845	15,000	-
Disbursements:						
Current:						
Instruction	-	-	39,390	1,878	4,378	9,810
Support services	4,604	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	4,604	-	39,390	1,878	4,378	9,810
Excess (deficiency) of receipts over disbursements	-	-	(5,466)	967	10,622	(9,810)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	451	-	10,622
Transfers out	-	-	(451)	-	(10,622)	-
Total other financing sources (uses)	-	-	(451)	451	(10,622)	10,622
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(5,917)	1,418	-	812
Cash and investments - beginning	-	9	5,917	-	2,940	-
Cash and investments - ending	\$ -	\$ 9	\$ -	\$ 1,418	\$ 2,940	\$ 812
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 9	\$ -	\$ 1,418	\$ 2,940	\$ 812
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 9	\$ -	\$ 1,418	\$ 2,940	\$ 812
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	-	9	-	1,418	2,940	812
Total cash and investment fund balance - ending	\$ -	\$ 9	\$ -	\$ 1,418	\$ 2,940	\$ 812

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title A Part A Elementary & Secondary	Title III Limited English	Title I Stimulus	Retirement Severance Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 249,504	\$ 228,131	\$ 592,063
Intermediate sources	-	-	-	-	-	206
State sources	-	-	-	-	-	230,979
Federal sources	68,810	13,200	21,863	-	-	501,319
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	1,041
Total receipts	68,810	13,200	21,863	249,504	228,131	1,325,608
Disbursements:						
Current:						
Instruction	68,810	19	-	-	-	613,503
Support services	-	13,181	-	-	140,417	503,513
Noninstructional services	-	-	-	-	-	7,627
Facilities acquisition and construction	-	-	-	-	-	36,630
Debt services	-	-	-	187,731	-	187,731
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	68,810	13,200	-	187,731	140,417	1,349,004
Excess (deficiency) of receipts over disbursements	-	-	21,863	61,773	87,714	(23,396)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	293,482
Transfers out	-	-	-	-	(175,000)	(288,401)
Total other financing sources (uses)	-	-	-	-	(175,000)	5,081
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	21,863	61,773	(87,286)	(18,315)
Cash and investments - beginning	-	-	-	(60,663)	87,286	17,407
Cash and investments - ending	\$ -	\$ -	\$ 21,863	\$ 1,110	\$ -	\$ (908)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 21,863	\$ -	\$ -	\$ (2,018)
Restricted assets:						
Cash and investments	-	-	-	1,110	-	1,110
Total cash and investment assets - ending	\$ -	\$ -	\$ 21,863	\$ 1,110	\$ -	\$ (908)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1,110	\$ -	\$ 1,110
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	21,863	-	-	(2,018)
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 21,863	\$ 1,110	\$ -	\$ (908)

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Education Preschool	Textbook Rental	Childcare Programs	Educational Plate Fee Distribution	Early Counseling Intervention Grant	Operation Round UP Grant	Indiana State Achievement Grant
Receipts:							
Local sources	\$ -	\$ 92,944	\$ 10,309	\$ -	\$ -	\$ 2,000	\$ -
Intermediate sources	-	-	-	94	-	-	-
State sources	13,750	63,787	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	25,647	-	-	-	-	-
Total receipts	13,750	182,378	10,309	94	-	2,000	-
Disbursements:							
Current:							
Instruction	-	-	-	191	1,500	-	-
Support services	-	135,138	-	-	-	-	-
Noninstructional services	-	-	11,319	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,633	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	135,138	11,319	191	1,500	1,633	-
Excess (deficiency) of receipts over disbursements	13,750	47,240	(1,010)	(97)	(1,500)	367	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	25,000	-	-	-	-	-
Transfers out	(9,661)	-	-	-	-	-	-
Total other financing sources (uses)	(9,661)	25,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,089	72,240	(1,010)	(97)	(1,500)	367	-
Cash and investments - beginning	(4,089)	(45,813)	1,051	401	1,500	-	57
Cash and investments - ending	\$ -	\$ 26,427	\$ 41	\$ 304	\$ -	\$ 367	\$ 57
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 26,427	\$ 41	\$ 304	\$ -	\$ 367	\$ 57
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 26,427	\$ 41	\$ 304	\$ -	\$ 367	\$ 57
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	26,427	41	304	-	367	57
Total cash and investment fund balance - ending	\$ -	\$ 26,427	\$ 41	\$ 304	\$ -	\$ 367	\$ 57

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Student Computer Repair	Biomedical Sciences Grant	Biomedical Project Lead The Way Grant 2009-10	Adult Education State Reimbursement	Non English Speaking Program	Tech Grant Round 2 Group 6/ 2008	Farm Rental
Receipts:							
Local sources	\$ 355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,688
Intermediate sources	-	-	-	-	-	-	-
State sources	-	6,329	20,000	5,393	15,789	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	355	6,329	20,000	5,393	15,789	-	1,688
Disbursements:							
Current:							
Instruction	-	8,381	19,500	7,004	15,789	159	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	8,381	19,500	7,004	15,789	159	-
Excess (deficiency) of receipts over disbursements	355	(2,052)	500	(1,611)	-	(159)	1,688
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(11,976)
Total other financing sources (uses)	-	-	-	-	-	-	(11,976)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	355	(2,052)	500	(1,611)	-	(159)	(10,288)
Cash and investments - beginning	-	2,052	-	(8,116)	-	159	13,664
Cash and investments - ending	\$ 355	\$ -	\$ 500	\$ (9,727)	\$ -	\$ -	\$ 3,376
Cash and Investment Assets - Ending							
Cash and investments	\$ 355	\$ -	\$ 500	\$ (9,727)	\$ -	\$ -	\$ 3,376
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 355	\$ -	\$ 500	\$ (9,727)	\$ -	\$ -	\$ 3,376
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	355	-	500	(9,727)	-	-	3,376
Total cash and investment fund balance - ending	\$ 355	\$ -	\$ 500	\$ (9,727)	\$ -	\$ -	\$ 3,376

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title I 2008-2009	Title I 2009-2010	Title V Part A	Migrant Grant 2008-09	Migrant Grant 2009-10	Title II-B Vocational Grant	Title V A Drug Free Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	219,721	-	-	77,166	-	5,487
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	219,721	-	-	77,166	-	5,487
Disbursements:							
Current:							
Instruction	-	183,236	-	(217)	63,541	(3,323)	-
Support services	-	33,590	491	-	13,478	-	5,487
Noninstructional services	-	2,354	-	-	147	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	219,180	491	(217)	77,166	(3,323)	5,487
Excess (deficiency) of receipts over disbursements	-	541	(491)	217	-	3,323	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	12,958	-	-	-	-	-
Transfers out	(12,958)	-	-	-	-	-	-
Total other financing sources (uses)	(12,958)	12,958	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,958)	13,499	(491)	217	-	3,323	-
Cash and investments - beginning	12,958	-	656	(217)	-	(3,323)	-
Cash and investments - ending	\$ -	\$ 13,499	\$ 165	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 13,499	\$ 165	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 13,499	\$ 165	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	13,499	165	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 13,499	\$ 165	\$ -	\$ -	\$ -	\$ -

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title II Dwight D Eisenhower	Tech Prep Career Major 2008-2009	USDA Agriculture Grant Purdue	Project Lead The Way Wired Grant Middle School	Title II Part A Elementary & Secondary	Title II Part D Elementary
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	65,199
Federal sources	-	-	-	-	70,481	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	70,481	65,199
Disbursements:						
Current:						
Instruction	-	1,418	-	-	70,481	-
Support services	-	-	-	-	-	16,633
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	48,567
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	1,418	-	-	70,481	65,200
Excess (deficiency) of receipts over disbursements	-	(1,418)	-	-	-	(1)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,418)	-	-	-	(1)
Cash and investments - beginning	9	1,418	2,940	812	-	-
Cash and investments - ending	\$ 9	\$ -	\$ 2,940	\$ 812	\$ -	\$ (1)
Cash and Investment Assets - Ending						
Cash and investments	\$ 9	\$ -	\$ 2,940	\$ 812	\$ -	\$ (1)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 9	\$ -	\$ 2,940	\$ 812	\$ -	\$ (1)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	9	-	2,940	812	-	(1)
Total cash and investment fund balance - ending	\$ 9	\$ -	\$ 2,940	\$ 812	\$ -	\$ (1)

DELPHI COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title III Limited English	Title I Stimulus	Retirement Severance Bond	School Bus Replacement	High School/ Middle School Science Wing	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 291,136	\$ 573,790	\$ -	\$ 972,222
Intermediate sources	-	-	-	-	-	94
State sources	-	-	-	-	-	190,247
Federal sources	11,440	73,500	-	-	-	457,795
Temporary loans	-	-	-	-	-	-
Other	-	-	-	74,784	-	100,431
Total receipts	11,440	73,500	291,136	648,574	-	1,720,789
Disbursements:						
Current:						
Instruction	260	61,117	-	-	-	429,037
Support services	11,180	-	-	361,185	-	577,182
Noninstructional services	-	-	-	-	-	13,820
Facilities acquisition and construction	-	-	-	-	217,775	267,975
Debt services	-	-	189,331	-	-	189,331
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	11,440	61,117	189,331	361,185	217,775	1,477,345
Excess (deficiency) of receipts over disbursements	-	12,383	101,805	287,389	(217,775)	243,444
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	37,958
Transfers out	-	-	-	(125,000)	-	(159,595)
Total other financing sources (uses)	-	-	-	(125,000)	-	(121,637)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,383	101,805	162,389	(217,775)	121,807
Cash and investments - beginning	-	21,863	1,110	-	-	(908)
Cash and investments - ending	\$ -	\$ 34,246	\$ 102,915	\$ 162,389	\$ (217,775)	\$ 120,899
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 34,246	\$ -	\$ 162,389	\$ (217,775)	\$ 17,984
Restricted assets:						
Cash and investments	-	-	102,915	-	-	102,915
Total cash and investment assets - ending	\$ -	\$ 34,246	\$ 102,915	\$ 162,389	\$ (217,775)	\$ 120,899
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 102,915	\$ -	\$ -	\$ 102,915
Other purposes	-	-	-	-	-	-
Unrestricted	-	34,246	-	162,389	(217,775)	17,984
Total cash and investment fund balance - ending	\$ -	\$ 34,246	\$ 102,915	\$ 162,389	\$ (217,775)	\$ 120,899

DELPHI COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Delphi Community Multi-School Building Corporation	\$ 3,775,500	\$ 928,500
Bonds payable:		
General obligation bonds:		
2009 General Obligation Bond	340,000	278,650
2005 Pension Bonds	<u>1,875,000</u>	<u>190,458</u>
Total governmental activities debt	<u>\$ 5,990,500</u>	<u>\$ 1,397,608</u>

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CREDIT CARDS

School administrators are using credit cards for school business. The purposes for which the credit cards may be used were not specifically stated in the resolution of the School Board. An accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc., is not being maintained by the designated school administrators. Some payments were made on the basis of a statement only, as not all receipts or invoices were presented for examination with the accounts payable voucher to verify the validity of the purchases. Without supporting documentation, we were unable to determine if any of the purchases were personal in nature. We also noted instances when the use of the credit card appeared to bypass the accounting system.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the Board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

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

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

TRANSPORTATION FUND EXPENDITURES

Portions of the Superintendent and Treasurer's salaries were paid from the Transportation Fund.

IC 20-40-6-6, regarding the School Transportation Fund, states:

"(a) The following costs are payable from the fund:

- (1) The salaries paid to bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees.
- (2) Contracted transportation service.
- (3) Wages of independent contractors.
- (4) Contracts with common carriers.
- (5) Student fares.
- (6) Transportation related insurance.
- (7) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires, repairs, contracted repairs, parts, supplies, equipment, and other related expenses.

(b) Percentages or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the fund.

(c) Costs for a calendar year are those costs attributable to transportation for students during the school year ending in the calendar year."

The Conclusion of Attorney General Advisory Number 96-78 states in part:

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

CAPITAL PROJECTS FUND

Disbursements were made from the Capital Projects Fund to pay the salary of a teacher.

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

IC 20-40-8-13 regarding the Capital Projects Fund states:

"Money in the fund may be used for any of the following purposes: (1) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following: (A) Computer hardware. (B) Computer software. (C) Wiring and computer networks. (D) Communication access systems used to connect with computer networks or electronic gateways. (2) To pay for the services of full-time or part-time computer maintenance employees. (3) To conduct nonrecurring in-service technology training of school employees. (4) To pay advances, together with interest on the advances, from the common school fund for educational technology programs under IC 20-49-4. (5) To acquire any equipment or services necessary: (A) to implement the technology preparation curriculum under IC 20-30-12; (B) to participate in a program to provide educational technologies, including: (i) computers in the homes of students (commonly referred to as 'the buddy system project') under IC 20-20-13-6; (ii) the 4R's technology program; or (iii) any other program under the educational technology program described in IC 20-20-13; or (C) to obtain any combination of equipment or services described in clauses (A) and (B)."

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CAPITAL ASSET RECORDS

Information presented for audit did not indicate any updates of the capital asset inventory since June 30, 2008.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Records were not presented for audit to support the ADM claimed by the School Corporation for the 2008-2009 school year.

IC 5-15-6-3(f), concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission . . ."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 163, September 2003, and Volume 182, June 2008)

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OVERDRAWN FUND BALANCES

The Debt Service Fund, Capital Projects Fund, Transportation Operating Fund, Special Education Preschool Fund, Textbook Rental Fund, Adult Education State Reimbursement Fund, Migrant Grant 2008-2009 Fund and Title II-B Vocational Grant Fund were overdrawn in 2009. The High School/Middle School Science Wing Fund and Adult Education State Reimbursement Fund were overdrawn in 2010.

The balance of any fund may not be reduced to below zero. Routinely overdrawn funds could be an indication of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Manual for Extra-Curricular Accounts, Chapter 7)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Lack of Segregation of Duties: Control were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible actives related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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 Indiana Public School Corporations, Chapter 9)

PURCHASE OF EQUIPMENT - (APPLIES TO THE HIGH SCHOOL)

Disbursements for equipment were made as follows:

- (1) \$5,500 with payment split from the following funds: \$1,500 from Concessions, \$3,000 from Athletic, and \$1,000 from Varsity D on December 17, 2009, to purchase a batting cage.
- (2) \$4,700 from the Band Uniform Account on March 30, 2010, to purchase a band trailer.
- (3) \$3,715 from the Student Activities Account on May 18, 2010, to purchase two televisions.

A review of the School Board minutes did not reveal authorization for these purchases.

DELPHI COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

IC 20-26-5-4 states in part:

"In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the . . . specific powers . . . to acquire personal property or an interest in personal property as the governing body considers necessary for school purposes . . ." Therefore, extra-curricular equipment purchases should be approved prior to purchase by the Board of School Trustees. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

COMPENSATION AND BENEFITS - (APPLIES TO THE HIGH SCHOOL)

An individual received \$1,614.75 in payments for the year 2008-2009 and \$1,738.28 in payments for the year 2009-2010 for "Concessions Manager" which were not a part of the salary resolution.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 11)

FUND SOURCES AND USES - (APPLIES TO THE ELEMENTARY SCHOOL)

The balance in the Carnival Fund, (\$2,041.28), was transferred to the Faculty Lounge Fund on September 30, 2009. These funds did not appear to be used to benefit the student group that generated the funds.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 13)

GRANT FUNDS - (APPLIES TO THE ELEMENTARY SCHOOL)

There were two grants that were recorded and retained in the extra-curricular records. One was a Toyota grant totaling \$1,300 and the other one was a grant from Carroll County Health totaling \$1,506.42.

All financial transactions related to the school corporation should be accounted for in the School Corporation Records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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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 DELPHI COMMUNITY SCHOOL
CORPORATION, CARROLL COUNTY, INDIANA

Compliance

We have audited the compliance of the Delphi Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. 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, 2009 and 2010.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

November 9, 2010

DELPHI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	0755	\$ 79,508	\$ 113,678
National School Lunch Program	10.555	0755	<u>303,973</u>	<u>372,944</u>
Total for cluster			<u>383,481</u>	<u>486,622</u>
Total for federal grantor agency			<u>383,481</u>	<u>486,622</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010		-	-
		08-0755	5,765	-
		09-0755	212,222	13,127
		10-0755	<u>-</u>	<u>219,181</u>
Total for program			<u>217,987</u>	<u>232,308</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-0755	<u>-</u>	<u>61,117</u>
Total for program			<u>-</u>	<u>61,117</u>
Total for cluster			<u>217,987</u>	<u>293,425</u>
Pass-Through Logansport Community School Corporation				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	10-0755	-	184,640
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	10-0755	<u>-</u>	<u>6,837</u>
Total for program			<u>-</u>	<u>191,477</u>
Total for cluster			<u>-</u>	<u>191,477</u>
Pass-Through Indiana Department of Education				
Migrant Education - State Grant Program	84.011		120,491	-
		FY08-09/RM1 FY09-10/SY 20	<u>-</u>	<u>177,166</u>
Total for program			<u>120,491</u>	<u>177,166</u>
Pass-Through Purdue University				
Career and Technical Education - Basic Grants to States	84.048	WIRED-5-59	<u>14,188</u>	<u>-</u>
Total for program			<u>14,188</u>	<u>-</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186		4,604	-
		08-0755	-	-
		09-0755	<u>-</u>	<u>5,847</u>
Total for program			<u>4,604</u>	<u>5,847</u>

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

DELPHI COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2009 and 2010
 (Continued)

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243			
		TP-7-61	15,686	-
		C1-9-PLTW-8-61	25,582	1,418
		SPL BIO-7-61	15,771	6,329
		SPL BIO-9-61	-	19,500
Total for program			<u>57,039</u>	<u>27,247</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298	07-755	<u>656</u>	-
Total for program			<u>656</u>	-
Education Technology State Grants Cluster Educational Technology State Grants	84.318	C01090755	-	<u>65,199</u>
Total for program			<u>-</u>	<u>65,199</u>
English Language Acquisition Grants	84.365			
		FY08-09	13,200	-
		FY09-10	-	11,440
Total for program			<u>13,200</u>	<u>11,440</u>
Improving Teacher Quality State Grants	84.367			
		08-0755	68,810	-
		09-0755	-	70,481
Total for program			<u>68,810</u>	<u>70,481</u>
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	10-0755	-	<u>1,179,798</u>
Total for federal grantor agency			<u>338,478</u>	<u>662,068</u>
Total federal awards expended			<u>\$ 880,456</u>	<u>\$ 2,508,702</u>

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

DELPHI COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Delphi Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	11.553	\$ 7,258	\$ 10,463
National School Lunch Program	11.555	27,750	34,325

DELPHI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes

Significant deficiencies identified that are not considered to be material weaknesses? no

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Title I, Part A Cluster
	Special Education Cluster (IDEA)
	State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

DELPHI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2010-001, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the Delphi Community School Corporation related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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 Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DELPHI COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



DELPHI COMMUNITY SCHOOL CORPORATION

CORRECTIVE ACTION PLAN

FINDING 2010-001, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

The management of the Delphi Community School Corporation has reviewed the financial statement finding 2010-001 Internal Controls over Financial Transactions and Reporting, related to their audit for the period July 1, 2008 to June 30, 2010. We offer the following corrective actions:

Lack of Segregation of Duties – Delphi Community School Corporation will review their office procedures and attempt to institute duties that would involve, at least on a sample basis, a review of the work being performed by the treasurer. However, the School Corporation is a relatively small school and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the administration office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risk inherent with the current design of their administration office.

Sharon Handlin

Corporation Treasurer

11/9/10

DELPHI COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2010, with Ralph Walker, Superintendent of Schools; Sharon Handlin, Treasurer; Deborah L. Farrell, Assistant Treasurer; Robert Resler, President of the School Board; and Jerry Sparks, School Board Secretary.