

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

AUDIT REPORT

OF

HAMILTON HEIGHTS SCHOOL CORPORATION

HAMILTON COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED
03/08/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pauleeta A. Browning (Vacant) Kristin McCarty	07-01-08 to 12-01-09 12-02-09 to 12-20-09 12-21-09 to 06-30-11
Superintendent of Schools	Anthony J. Cook	07-01-08 to 06-30-11
President of the School Board	Michael S. House Laura Reuter	07-01-08 to 06-30-10 07-01-10 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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

TO: THE OFFICIALS OF THE HAMILTON HEIGHTS SCHOOL
CORPORATION, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton Heights 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 January 31, 2011, 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
(Continued)

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

The School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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.

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

STATE BOARD OF ACCOUNTS

January 31, 2011



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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 HAMILTON HEIGHTS SCHOOL
CORPORATION, HAMILTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton Heights 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 January 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and 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, the 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

January 31, 2011

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 8,309,804	\$ -	\$ 189,357	\$ (8,120,447)
Support services	7,264,221	790,369	351,957	(6,121,895)
Noninstructional services	1,132,558	-	-	(1,132,558)
Facilities acquisition and construction	925,615	-	-	(925,615)
Debt service	5,233,488	-	-	(5,233,488)
Nonprogrammed charges	708,481	-	-	(708,481)
Total governmental activities	<u>\$ 23,574,167</u>	<u>\$ 790,369</u>	<u>\$ 541,314</u>	<u>(22,242,484)</u>
General receipts:				
Property taxes				11,254,814
Other local sources				2,230,157
State aid				9,334,921
Bonds and loans				4,099,000
Grants and contributions not restricted to specific programs				1,497,756
Sale of property				519
Investment earnings				177,038
Other				<u>323,967</u>
Total general receipts, interfund loans, transfers, and special items				<u>28,918,172</u>
Change in net assets				6,675,688
Net assets - beginning				<u>6,626,021</u>
Net assets - ending				<u>\$ 13,301,709</u>
<u>Assets</u>				
Cash and investments				\$ 13,239,703
Restricted assets:				
Cash and investments				<u>62,006</u>
Total assets				<u>\$ 13,301,709</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 18,737
Other purposes				43,269
Unrestricted				<u>13,239,703</u>
Total net assets				<u>\$ 13,301,709</u>

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

HAMILTON HEIGHTS 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 8,429,760	\$ -	\$ 235,202	\$ (8,194,558)
Support services	7,937,898	835,391	454,687	(6,647,820)
Noninstructional services	1,246,662	-	-	(1,246,662)
Facilities acquisition and construction	4,129,447	-	-	(4,129,447)
Debt service	4,196,534	-	-	(4,196,534)
Nonprogrammed charges	701,205	-	-	(701,205)
Total governmental activities	<u>\$ 26,641,506</u>	<u>\$ 835,391</u>	<u>\$ 689,889</u>	<u>(25,116,226)</u>
General receipts:				
Property taxes				10,826,477
Other local sources				2,210,778
State aid				12,758,848
Grants and contributions not restricted to specific programs				869,131
Sale of property				958
Investment earnings				193,771
Other				<u>139,499</u>
Total general receipts, interfund loans, transfers, and special items				<u>26,999,462</u>
Change in net assets				1,883,236
Net assets - beginning				<u>13,301,709</u>
Net assets - ending				<u>\$ 15,184,945</u>
<u>Assets</u>				
Cash and investments				\$ 13,424,741
Restricted assets:				
Cash and investments				<u>1,760,204</u>
Total assets				<u>\$ 15,184,945</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,760,204
Unrestricted				<u>13,424,741</u>
Total net assets				<u>\$ 15,184,945</u>

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

HAMILTON HEIGHTS 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	Rainy Day	Debt Service	Construction General Obligation Bond	Other	Totals
Receipts:						
Local sources	\$ 5,543,131	\$ -	\$ 3,787,422	\$ -	\$ 5,121,466	\$ 14,452,019
Intermediate sources	356	-	-	-	-	356
State sources	9,495,838	-	-	-	217,000	9,712,838
Federal sources	-	-	-	-	1,661,153	1,661,153
Interfund loans	-	-	554,653	-	-	554,653
Other	109,609	-	-	-	214,358	323,967
	<u>15,148,934</u>	<u>-</u>	<u>4,342,075</u>	<u>-</u>	<u>7,213,977</u>	<u>26,704,986</u>
Disbursements:						
Current:						
Instruction	7,983,471	-	-	-	382,406	8,365,877
Support services	4,003,305	-	11,718	-	3,249,198	7,264,221
Noninstructional services	270,901	-	-	-	861,657	1,132,558
Facilities acquisition and construction	-	-	-	70,407	855,208	925,615
Debt services	-	-	4,719,303	-	514,185	5,233,488
Nonprogrammed charges	657,570	-	-	-	-	657,570
Interfund loans	-	554,653	-	-	-	554,653
	<u>12,915,247</u>	<u>554,653</u>	<u>4,731,021</u>	<u>70,407</u>	<u>5,862,654</u>	<u>24,133,982</u>
Excess (deficiency) of receipts over disbursements	<u>2,233,687</u>	<u>(554,653)</u>	<u>(388,946)</u>	<u>(70,407)</u>	<u>1,351,323</u>	<u>2,571,004</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	4,099,000	-	4,099,000
Sale of capital assets	52	-	-	-	467	519
Transfers in	3,220	2,325,000	-	-	15,699	2,343,919
Transfers out	(2,200,000)	-	-	-	(143,919)	(2,343,919)
	<u>(2,196,728)</u>	<u>2,325,000</u>	<u>-</u>	<u>4,099,000</u>	<u>(127,753)</u>	<u>4,099,519</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,959	1,770,347	(388,946)	4,028,593	1,223,570	6,670,523
Cash and investments - beginning	<u>1,830,070</u>	<u>1,902,548</u>	<u>388,946</u>	<u>-</u>	<u>2,466,353</u>	<u>6,587,917</u>
Cash and investments - ending	<u>\$ 1,867,029</u>	<u>\$ 3,672,895</u>	<u>\$ -</u>	<u>\$ 4,028,593</u>	<u>\$ 3,689,923</u>	<u>13,258,440</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>43,269</u>
Net assets of governmental activities						<u>\$ 13,301,709</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,867,029	\$ 3,672,895	\$ -	\$ 4,028,593	\$ 3,671,186	\$ 13,239,703
Restricted assets:						
Cash and investments	-	-	-	-	18,737	18,737
Total cash and investment assets - ending	<u>\$ 1,867,029</u>	<u>\$ 3,672,895</u>	<u>\$ -</u>	<u>\$ 4,028,593</u>	<u>\$ 3,689,923</u>	<u>\$ 13,258,440</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 18,737	\$ 18,737
Unrestricted	<u>1,867,029</u>	<u>3,672,895</u>	<u>-</u>	<u>4,028,593</u>	<u>3,671,186</u>	<u>13,239,703</u>
Total cash and investment fund balance - ending	<u>\$ 1,867,029</u>	<u>\$ 3,672,895</u>	<u>\$ -</u>	<u>\$ 4,028,593</u>	<u>\$ 3,689,923</u>	<u>\$ 13,258,440</u>

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

HAMILTON HEIGHTS 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	Rainy Day	Debt Service	Construction General Obligation Bond	Other	Totals
Receipts:						
Local sources	\$ 513,381	\$ -	\$ 6,254,356	\$ 5,698	\$ 7,264,800	\$ 14,038,235
Intermediate sources	28,181	-	-	-	-	28,181
State sources	12,922,650	-	-	-	170,973	13,093,623
Federal sources	-	-	-	-	1,224,245	1,224,245
Interfund loans	-	554,653	-	-	-	554,653
Other	32,389	-	-	24,250	82,860	139,499
Total receipts	13,496,601	554,653	6,254,356	29,948	8,742,878	29,078,436
Disbursements:						
Current:						
Instruction	7,035,459	-	-	-	1,422,057	8,457,516
Support services	4,098,572	-	952	-	3,838,374	7,937,898
Noninstructional services	241,517	-	-	-	1,005,145	1,246,662
Facilities acquisition and construction	-	-	-	3,328,112	801,335	4,129,447
Debt services	-	-	4,026,088	-	170,446	4,196,534
Nonprogrammed charges	167,537	-	-	-	462,642	630,179
Interfund loans	-	-	554,653	-	-	554,653
Total disbursements	11,543,085	-	4,581,693	3,328,112	7,699,999	27,152,889
Excess (deficiency) of receipts over disbursements	1,953,516	554,653	1,672,663	(3,298,164)	1,042,879	1,925,547
Other financing sources (uses):						
Sale of capital assets	694	-	-	-	264	958
Transfers in	55,086	500,000	-	-	23,331	578,417
Transfers out	-	-	(690)	-	(577,727)	(578,417)
Total other financing sources (uses)	55,780	500,000	(690)	-	(554,132)	958
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,009,296	1,054,653	1,671,973	(3,298,164)	488,747	1,926,505
Cash and investments - beginning	1,867,029	3,672,895	-	4,028,593	3,689,923	13,258,440
Cash and investments - ending	\$ 3,876,325	\$ 4,727,548	\$ 1,671,973	\$ 730,429	\$ 4,178,670	\$ 15,184,945
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,876,325	\$ 4,727,548	\$ -	\$ 730,429	\$ 4,090,439	\$ 13,424,741
Restricted assets:						
Cash and investments	-	-	1,671,973	-	88,231	1,760,204
Total cash and investment assets - ending	\$ 3,876,325	\$ 4,727,548	\$ 1,671,973	\$ 730,429	\$ 4,178,670	\$ 15,184,945
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 1,671,973	\$ -	\$ 88,231	\$ 1,760,204
Unrestricted	3,876,325	4,727,548	-	730,429	4,090,439	13,424,741
Total cash and investment fund balance - ending	\$ 3,876,325	\$ 4,727,548	\$ 1,671,973	\$ 730,429	\$ 4,178,670	\$ 15,184,945

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 56,073
Total operating receipts	56,073
Operating disbursements:	
Insurance claims and expense	50,908
Total operating disbursements	50,908
Excess of operating receipts over operating disbursements	5,165
Change in net assets	5,165
Cash and investment fund balance - beginning	38,104
Cash and investment fund balance - ending	\$ 43,269
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 43,269
Total cash and investment assets - ending	\$ 43,269
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 43,269
Total cash and investment fund balance - ending	\$ 43,269

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

HAMILTON HEIGHTS SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2010

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 27,757
Total operating receipts	27,757
Operating disbursements:	
Insurance claims and other expense	71,026
Total operating disbursements	71,026
Deficiency of operating receipts over operating disbursements	(43,269)
Change in net assets	(43,269)
Cash and investment fund balance - beginning	43,269
Cash and investment fund balance - ending	\$ -
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ -
Total cash and investment assets - ending	\$ -
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ -
Total cash and investment fund balance - ending	\$ -

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

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

	<u>Pension Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ 581	\$ 38,547	
Total contributions	<u>581</u>	<u>38,547</u>	
Total additions	<u>581</u>	<u>38,547</u>	
Deductions:			
Administrative and general	<u>-</u>	<u>36,333</u>	
Total deductions	<u>-</u>	<u>36,333</u>	
Excess of total additions over total deductions	581	2,214	
Cash and investment fund balance - beginning	<u>139,260</u>	<u>63,357</u>	
Cash and investment fund balance - ending	<u>\$ 139,841</u>	<u>\$ 65,571</u>	<u>\$ -</u>
Net assets:			
Cash and investments	<u>\$ 139,841</u>	<u>\$ 65,571</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 139,841</u>	<u>\$ 65,571</u>	<u>\$ -</u>

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

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

	<u>Pension Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 28,607	
Total contributions	<u>-</u>	<u>28,607</u>	
Investment earnings:			
Interest	108	-	
Total investment earnings	<u>108</u>	<u>-</u>	
Total additions	<u>108</u>	<u>28,607</u>	
Deductions:			
Administrative and general	<u>-</u>	<u>24,686</u>	
Total deductions	<u>-</u>	<u>24,686</u>	
Excess of total additions over total deductions	108	3,921	
Cash and investment fund balance - beginning	<u>139,841</u>	<u>65,571</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 139,949</u>	<u>\$ 69,492</u>	<u>\$ 3,763</u>
Net assets:			
Cash and investments	<u>\$ 139,949</u>	<u>\$ 69,492</u>	<u>\$ 3,763</u>
Total net assets - cash and investment basis held in trust	<u>\$ 139,949</u>	<u>\$ 69,492</u>	<u>\$ 3,763</u>

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

HAMILTON HEIGHTS 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: Hamilton Heights 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 Hamilton-Boone-Madison Special Services (Co-Op) which was created to provide instruction for handicapped children. The Hamilton-Boone-Madison Special Services (Co-Op)'s continued existence depends on continued funding by the School Corporation. Complete financial statements for the Hamilton-Boone-Madison Special Services (Co-Op) can be obtained from 5201 East 131st Street, Carmel, IN 46033.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

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 Construction General Obligation Bond Fund accounts for planned construction, repair, replacement, or remodeling of building projects.

Additionally, the School Corporation reports the following fund types:

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

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

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

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.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 June 30 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:

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund 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.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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 passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are 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.

HAMILTON HEIGHTS SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

B. Cash Balance Deficits

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

Fund	2009	2010
Drug Free Title IV 08/09	\$ 558	\$ -
Textbook Rental	-	25,459

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 School Corporation had deposit balances in the amount of \$15,398,146.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2010, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
U.S. treasuries and securities	\$ 1,000,000
Total	\$ 1,000,000

Statutory Authorization for Investment

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
General Fund	Rainy Day Fund	\$ 2,200,000	\$ -
Debt Service Fund	Other Governmental Funds	-	690
Other Governmental Funds	General Fund	3,220	55,086
	Rainy Day Fund	125,000	500,000
	Other Governmental Funds	<u>15,699</u>	<u>22,641</u>
Totals		<u>\$ 2,343,919</u>	<u>\$ 578,417</u>

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

The General Fund and School Bus Replacement Fund transferred \$2,200,000 and \$125,000 of unused and unencumbered funds to the Rainy Day Fund in the 2008-2009 fiscal year. The School Bus Replacement Fund transferred \$500,000 of unexpended cash balances to the Rainy Day Fund in the 2009-2010 fiscal year.

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.

The School Corporation has chosen to establish a risk financing fund for risks associated with dental reimbursements. The risk financing fund is accounted for in the Dental Reimbursement Fund, an internal service fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

fund. Amounts are paid into the fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based primarily upon the percentage of each fund's current year payroll as it relates to total payroll, and are reported as quasi-external interfund transactions.

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.

During 1992, the School Corporation joined with other governmental entities to form the Wabash Valley/West Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 17 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees, and dependents. The School Corporation pays an annual premium to the risk pool for its medical benefits to employees, retirees, and dependents coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$200,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$200,000 limit.

B. Holding Corporations

The School Corporation has entered into a capital lease with Hamilton Heights 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 totaled \$1,632,500 and \$1,735,000 respectively.

The School Corporation has entered into a capital lease with Hamilton Heights High 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 totaled \$1,898,000, and \$1,898,000 respectively.

C. VEBA Trust

The School established a Voluntary Employee's Benefit Association (VEBA)/Health Reimbursement Arrangement (HRA) Trust with an independent trustee, for the purpose of providing assistance to eligible certified staff retirees to meet medical expenses after retirement and before becoming eligible for Medicare.

The trust is funded from payments made by the school during employment and additional payments after retirement. During employment one half a percent of the base salary for a bachelor's degree is paid into the trust. After retirement annual payments are made up to a maximum of \$14,000 until age 65.

These funds cannot under any circumstances revert to the school; therefore the financial statements do not include the value of these assets.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$15,094.

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.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$824,622.

3. Defined Contribution Pension Plans

a. Hamilton Heights School Corporation 401(a) Plan and Trust

Plan Description

The School Corporation has a defined contribution pension plan administered by VALIC Financial Advisors, Inc., under IC 5-10-1.1-1. The plan provides supplemental retirement benefits to plan members and beneficiaries. The plan was established by a written agreement between the School Corporation and the Plan Administrator. The Plan Administrator issues a publicly available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

VALIC Financial Advisors, Inc.
630 West Carmel Drive, Suite 140
Carmel, IN 46032

Funding Policy

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Plan Administrator. The employer pays a flat amount varying from \$650 to \$950 based on years of service for certified staff. The employer pays 3% of the base salary for support staff hired after June 1, 2003. During the fiscal years of 2009 and 2010, employer contributions to the plan were \$214,429 and \$224,581, respectively.

HAMILTON HEIGHTS SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

b. Hamilton Heights School Corporation 403(b) Plan and Trust

Plan Description

The School Corporation has a defined contribution pension plan administered by VALIC Financial Advisors, Inc., under IC 5-10-1.1-1. This is a post separation plan based on years of service, date of hire, and accumulated sick days. The plan was established by written agreement between the School Corporation and the Plan Administrator. The Plan Administrator issues a public available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

VALIC Financial Advisors, Inc.
603 West Carmel Drive, Suite 140
Carmel, Indiana 46032

Funding Policy

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Plan Administrator. The employer pays a flat amount for accumulated sick leave at time of retirement up to an established limit of days for certified employees. In addition, for support staff \$25 for each year of service and 90% of the daily rate for the number of sick days accumulated is paid into the plan the year of retirement. For the fiscal years of 2009 and 2010, the employer contributions were \$47,771 and \$53,493 respectively.

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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Summer Enrichment Special Education Co-op	School Safe Haven
Receipts:							
Local sources	\$ 1,379,445	\$ 11,884	\$ 1,028,744	\$ 165,547	\$ -	\$ -	\$ -
State sources	-	98,107	16,265	49,704	-	-	-
Federal sources	-	-	279,451	-	-	4,816	-
Other	88,195	-	4,809	1,579	-	-	-
Total receipts	1,467,640	109,991	1,329,269	216,830	-	4,816	-
Disbursements:							
Current:							
Instruction	-	86,706	-	-	-	7,971	-
Support services	1,251,985	(3,648)	349,997	232,266	-	309	-
Noninstructional services	-	-	861,250	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	348,915	-	-	-	-	-	-
Total disbursements	1,600,900	83,058	1,211,247	232,266	-	8,280	-
Excess (deficiency) of receipts over disbursements	(133,260)	26,933	118,022	(15,436)	-	(3,464)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	467	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	467	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(133,260)	26,933	118,022	(14,969)	-	(3,464)	-
Cash and investments - beginning	504,185	2,026	449,815	99,307	4,189	12,049	12
Cash and investments - ending	\$ 370,925	\$ 28,959	\$ 567,837	\$ 84,338	\$ 4,189	\$ 8,585	\$ 12
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 370,925	\$ 28,959	\$ 567,837	\$ 84,338	\$ 4,189	\$ 8,585	\$ 12
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 370,925	\$ 28,959	\$ 567,837	\$ 84,338	\$ 4,189	\$ 8,585	\$ 12
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	370,925	28,959	567,837	84,338	4,189	8,585	12
Total cash and investment fund balance - ending	\$ 370,925	\$ 28,959	\$ 567,837	\$ 84,338	\$ 4,189	\$ 8,585	\$ 12

HAMILTON HEIGHTS 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)

	Gifted Talented Programs	At Risk	Equal Opportunity At Risk Standards	At Risk Project 89-219	Non English Speaking Program	School Technology	Indiana School Improvement Award
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	34,977	-	-	-	-	17,947	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	34,977	-	-	-	-	17,947	-
Disbursements:							
Current:							
Instruction	23,797	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	32,029	-
Debt services	-	-	-	-	-	-	-
Total disbursements	23,797	-	-	-	-	32,029	-
Excess (deficiency) of receipts over disbursements	11,180	-	-	-	-	(14,082)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,180	-	-	-	-	(14,082)	-
Cash and investments - beginning	-	2,065	7,137	1,849	66	36,757	4,597
Cash and investments - ending	\$ 11,180	\$ 2,065	\$ 7,137	\$ 1,849	\$ 66	\$ 22,675	\$ 4,597
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 11,180	\$ 2,065	\$ 7,137	\$ 1,849	\$ 66	\$ 22,675	\$ 4,597
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,180	\$ 2,065	\$ 7,137	\$ 1,849	\$ 66	\$ 22,675	\$ 4,597
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,180	2,065	7,137	1,849	66	22,675	4,597
Total cash and investment fund balance - ending	\$ 11,180	\$ 2,065	\$ 7,137	\$ 1,849	\$ 66	\$ 22,675	\$ 4,597

HAMILTON HEIGHTS 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)

	Tech Adoption Project	Indiana Middle Level Instruction Grant	Indiana Technology Leadership	Professional Development Capacity	Title I FY 2008	Title I FY 2009	Title V
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	10,000	90,856	1,244
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	10,000	90,856	1,244
Disbursements:							
Current:							
Instruction	-	-	-	-	38,320	74,532	-
Support services	-	-	-	-	2,385	-	1,581
Noninstructional services	-	-	-	-	407	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	41,112	74,532	1,581
Excess (deficiency) of receipts over disbursements	-	-	-	-	(31,112)	16,324	(337)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	15,699	-
Transfers out	-	-	-	-	(15,699)	-	-
Total other financing sources (uses)	-	-	-	-	(15,699)	15,699	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(46,811)	32,023	(337)
Cash and investments - beginning	150	423	500	1,969	46,811	-	4,745
Cash and investments - ending	<u>\$ 150</u>	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ 32,023</u>	<u>\$ 4,408</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 150	\$ 423	\$ 500	\$ 1,969	\$ -	\$ 32,023	\$ 4,408
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 150</u>	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ 32,023</u>	<u>\$ 4,408</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	150	423	500	1,969	-	32,023	4,408
Total cash and investment fund balance - ending	<u>\$ 150</u>	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 1,969</u>	<u>\$ -</u>	<u>\$ 32,023</u>	<u>\$ 4,408</u>

HAMILTON HEIGHTS 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 VI	Summer Remediation Jump Start	Carmel Federal Carry Over One Time Grant	Carmel Grant Part B	Carmel Grant Part B	Carmel Grant Part B 08/09	Drug Free Title IV 08/09
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	88,314	2,142
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	88,314	2,142
Disbursements:							
Current:							
Instruction	-	-	-	2,201	14,290	77,409	-
Support services	-	-	-	-	-	2,046	2,700
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,201	14,290	79,455	2,700
Excess (deficiency) of receipts over disbursements	-	-	-	(2,201)	(14,290)	8,859	(558)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(2,201)	(14,290)	8,859	(558)
Cash and investments - beginning	34	66	18	2,201	14,632	-	-
Cash and investments - ending	\$ 34	\$ 66	\$ 18	\$ -	\$ 342	\$ 8,859	\$ (558)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 34	\$ 66	\$ 18	\$ -	\$ 342	\$ 8,859	\$ (558)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 34	\$ 66	\$ 18	\$ -	\$ 342	\$ 8,859	\$ (558)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	34	66	18	-	342	8,859	(558)
Total cash and investment fund balance - ending	\$ 34	\$ 66	\$ 18	\$ -	\$ 342	\$ 8,859	\$ (558)

HAMILTON HEIGHTS 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)

	Drug Free Title IV 05/06	Title II	Title II FY 2001	Action Research Grant	Title II Part A Project 05-259	Title III Limited English
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	65,877	1,013
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	65,877	1,013
Disbursements:						
Current:						
Instruction	-	-	-	-	57,180	-
Support services	2,700	-	-	-	36,293	1,230
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,700	-	-	-	93,473	1,230
Excess (deficiency) of receipts over disbursements	(2,700)	-	-	-	(27,596)	(217)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,700)	-	-	-	(27,596)	(217)
Cash and investments - beginning	3,334	5,904	3,199	1,000	27,879	267
Cash and investments - ending	\$ 634	\$ 5,904	\$ 3,199	\$ 1,000	\$ 283	\$ 50
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 634	\$ 5,904	\$ 3,199	\$ 1,000	\$ 283	\$ 50
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 634	\$ 5,904	\$ 3,199	\$ 1,000	\$ 283	\$ 50
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	634	5,904	3,199	1,000	283	50
Total cash and investment fund balance - ending	\$ 634	\$ 5,904	\$ 3,199	\$ 1,000	\$ 283	\$ 50

HAMILTON HEIGHTS 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)

	Fiscal Stabilization	Retirement Severance Bond	Capital Projects	School Bus Replacement	Construction Building	Totals
Receipts:						
Local sources	\$ -	\$ 162,514	\$ 1,907,842	\$ 465,490	\$ -	\$ 5,121,466
State sources	-	-	-	-	-	217,000
Federal sources	1,117,440	-	-	-	-	1,661,153
Other	-	-	119,775	-	-	214,358
Total receipts	1,117,440	162,514	2,027,617	465,490	-	7,213,977
Disbursements:						
Current:						
Instruction	-	-	-	-	-	382,406
Support services	-	-	993,265	376,011	78	3,249,198
Noninstructional services	-	-	-	-	-	861,657
Facilities acquisition and construction	-	-	823,179	-	-	855,208
Debt services	-	165,270	-	-	-	514,185
Total disbursements	-	165,270	1,816,444	376,011	78	5,862,654
Excess (deficiency) of receipts over disbursements	1,117,440	(2,756)	211,173	89,479	(78)	1,351,323
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	467
Transfers in	-	-	-	-	-	15,699
Transfers out	-	-	-	(125,000)	(3,220)	(143,919)
Total other financing sources (uses)	-	-	-	(125,000)	(3,220)	(127,753)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,117,440	(2,756)	211,173	(35,521)	(3,298)	1,223,570
Cash and investments - beginning	-	21,493	926,930	277,446	3,298	2,466,353
Cash and investments - ending	\$ 1,117,440	\$ 18,737	\$ 1,138,103	\$ 241,925	\$ -	\$ 3,689,923
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,117,440	\$ -	\$ 1,138,103	\$ 241,925	\$ -	\$ 3,671,186
Restricted assets:						
Cash and investments	-	18,737	-	-	-	18,737
Total cash and investment assets - ending	\$ 1,117,440	\$ 18,737	\$ 1,138,103	\$ 241,925	\$ -	\$ 3,689,923
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 18,737	\$ -	\$ -	\$ -	\$ 18,737
Unrestricted	1,117,440	-	1,138,103	241,925	-	3,671,186
Total cash and investment fund balance - ending	\$ 1,117,440	\$ 18,737	\$ 1,138,103	\$ 241,925	\$ -	\$ 3,689,923

HAMILTON HEIGHTS 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Summer Enrichment Special Education Co-op	Summer Enrichment Special Education 2009
Receipts:							
Local sources	\$ 2,158,164	\$ -	\$ 1,435,100	\$ 162,942	\$ 78,855	\$ 320	\$ -
State sources	-	45,375	15,617	40,666	-	-	-
Federal sources	-	-	370,739	-	-	-	-
Other	71,715	-	1,191	3,295	-	-	-
Total receipts	2,229,879	45,375	1,822,647	206,903	78,855	320	-
Disbursements:							
Current:							
Instruction	-	52,688	-	-	-	2,457	270
Support services	1,202,802	-	742,493	317,653	-	216	-
Noninstructional services	-	-	1,004,808	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,202,802	52,688	1,747,301	317,653	-	2,673	270
Excess (deficiency) of receipts over disbursements	1,027,077	(7,313)	75,346	(110,750)	78,855	(2,353)	(270)
Other financing sources (uses):							
Sale of capital assets	-	-	-	264	-	-	-
Transfers in	-	-	-	690	-	-	403
Transfers out	-	(21,646)	-	-	(4,189)	(403)	-
Total other financing sources (uses)	-	(21,646)	-	954	(4,189)	(403)	403
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,027,077	(28,959)	75,346	(109,796)	74,666	(2,756)	133
Cash and investments - beginning	370,924	28,959	567,837	84,337	4,189	8,585	-
Cash and investments - ending	\$ 1,398,001	\$ -	\$ 643,183	\$ (25,459)	\$ 78,855	\$ 5,829	\$ 133
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,398,001	\$ -	\$ 643,183	\$ (25,459)	\$ 78,855	\$ 5,829	\$ 133
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,398,001	\$ -	\$ 643,183	\$ (25,459)	\$ 78,855	\$ 5,829	\$ 133
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,398,001	-	643,183	(25,459)	78,855	5,829	133
Total cash and investment fund balance - ending	\$ 1,398,001	\$ -	\$ 643,183	\$ (25,459)	\$ 78,855	\$ 5,829	\$ 133

HAMILTON HEIGHTS 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)

	Summer Enrichment Special Education 2010	School Safe Haven	Gifted Talented Programs	High Ability Grant 09/10	At Risk	Equal Opportunity At Risk Standards	At Risk Project 89-219
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	34,714	-	-	-
Federal sources	4,968	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	4,968	-	-	34,714	-	-	-
Disbursements:							
Current:							
Instruction	110	-	8,285	33,555	-	-	-
Support services	-	-	2,896	478	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	110	-	11,181	34,033	-	-	-
Excess (deficiency) of receipts over disbursements	4,858	-	(11,181)	681	-	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(12)	-	-	(2,065)	(7,137)	(1,849)
Total other financing sources (uses)	-	(12)	-	-	(2,065)	(7,137)	(1,849)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,858	(12)	(11,181)	681	(2,065)	(7,137)	(1,849)
Cash and investments - beginning	-	12	11,181	-	2,065	7,137	1,849
Cash and investments - ending	\$ 4,858	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,858	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,858	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,858	-	-	681	-	-	-
Total cash and investment fund balance - ending	\$ 4,858	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ -

HAMILTON HEIGHTS 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)

	Common School Technology Loan	Non English Speaking Program	Non English Speaking Program	School Technology	Indiana School Improvement Award	Tech Adoption Project
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	17,507	1,686	1,122	14,286	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	17,507	1,686	1,122	14,286	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	17,507	851	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	17,507	851	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	835	1,122	14,286	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,122)	-	(4,597)	(150)
Total other financing sources (uses)	-	-	(1,122)	-	(4,597)	(150)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	835	-	14,286	(4,597)	(150)
Cash and investments - beginning	-	66	-	22,674	4,597	150
Cash and investments - ending	<u>\$ -</u>	<u>\$ 901</u>	<u>\$ -</u>	<u>\$ 36,960</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 901	\$ -	\$ 36,960	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 901</u>	<u>\$ -</u>	<u>\$ 36,960</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	901	-	36,960	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 901</u>	<u>\$ -</u>	<u>\$ 36,960</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON HEIGHTS 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)

	Indiana Middle Level Instruction Grant	Indiana Technology Leadership	Professional Development Capacity	Title I FY 2009	Title I FY 2010	Title V
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	8,699	79,738	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	8,699	79,738	-
Disbursements:						
Current:						
Instruction	-	-	-	25,396	76,286	-
Support services	-	-	-	-	-	4,408
Noninstructional services	-	-	-	337	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	25,733	76,286	4,408
Excess (deficiency) of receipts over disbursements	-	-	-	(17,034)	3,452	(4,408)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	15,020	-
Transfers out	(423)	(500)	(1,969)	(14,989)	-	-
Total other financing sources (uses)	(423)	(500)	(1,969)	(14,989)	15,020	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(423)	(500)	(1,969)	(32,023)	18,472	(4,408)
Cash and investments - beginning	423	500	1,969	32,023	-	4,408
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,472</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 18,472	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,472</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	18,472	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,472</u>	<u>\$ -</u>

HAMILTON HEIGHTS 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 VI	Carmel Continuing Grant Idea	Summer Remediation Jump Start	Carmel Federal Carry Over One Time Grant	Carmel Grant Part B	Carmel Grant Part B 08/09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	85,164	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	85,164	-	-	-	-
Disbursements:						
Current:						
Instruction	-	59,021	-	-	-	8,859
Support services	-	2,627	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	61,648	-	-	-	8,859
Excess (deficiency) of receipts over disbursements	-	23,516	-	-	-	(8,859)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(34)	-	(66)	(19)	(342)	-
Total other financing sources (uses)	(34)	-	(66)	(19)	(342)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34)	23,516	(66)	(19)	(342)	(8,859)
Cash and investments - beginning	34	-	66	19	342	8,859
Cash and investments - ending	\$ -	\$ 23,516	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	23,516	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 23,516	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	-	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	23,516	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 23,516	\$ -	\$ -	\$ -	\$ -

HAMILTON HEIGHTS 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)

	Drug Free Title IV 08/09	Safe and Drug Free Title IV	Drug Free Title IV 05/06	Title II	Title II FY 2001	Action Research Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	2,142	4,200	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	2,142	4,200	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	1,584	3,626	618	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,584	3,626	618	-	-	-
Excess (deficiency) of receipts over disbursements	558	574	(618)	-	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(16)	(5,904)	(3,199)	(1,000)
Total other financing sources (uses)	-	-	(16)	(5,904)	(3,199)	(1,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	558	574	(634)	(5,904)	(3,199)	(1,000)
Cash and investments - beginning	(558)	-	634	5,904	3,199	1,000
Cash and investments - ending	\$ -	\$ 574	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 574	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 574	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	574	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 574	\$ -	\$ -	\$ -	\$ -

HAMILTON HEIGHTS 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 Part A Project 05-259	Title II 08/09	Title II	Title III Limited English	Title III English Proficiency	Fiscal Stabilization
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	24,820	61,543	-	-	461,868
Other	-	-	-	-	-	-
Total receipts	-	24,820	61,543	-	-	461,868
Disbursements:						
Current:						
Instruction	-	4,075	22,006	-	-	1,116,666
Support services	6,379	4,386	-	47	896	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	462,642
Total disbursements	6,379	8,461	22,006	47	896	1,579,308
Excess (deficiency) of receipts over disbursements	(6,379)	16,359	39,537	(47)	(896)	(1,117,440)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	6,096	-	-	-	1,122	-
Transfers out	-	(6,096)	-	-	-	-
Total other financing sources (uses)	6,096	(6,096)	-	-	1,122	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(283)	10,263	39,537	(47)	226	(1,117,440)
Cash and investments - beginning	283	-	-	50	-	1,117,440
Cash and investments - ending	\$ -	\$ 10,263	\$ 39,537	\$ 3	\$ 226	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 10,263	\$ 39,537	\$ 3	\$ 226	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 10,263	\$ 39,537	\$ 3	\$ 226	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	10,263	39,537	3	226	-
Total cash and investment fund balance - ending	\$ -	\$ 10,263	\$ 39,537	\$ 3	\$ 226	\$ -

HAMILTON HEIGHTS 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)

	Special Education Stimulus	Special Education Preschool Stimulus	Retirement Severance Bond	Capital Projects	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 239,940	\$ 2,495,037	\$ 694,442	\$ 7,264,800
State sources	-	-	-	-	-	170,973
Federal sources	105,578	14,786	-	-	-	1,224,245
Other	-	-	-	6,659	-	82,860
Total receipts	<u>105,578</u>	<u>14,786</u>	<u>239,940</u>	<u>2,501,696</u>	<u>694,442</u>	<u>8,742,878</u>
Disbursements:						
Current:						
Instruction	-	12,383	-	-	-	1,422,057
Support services	94,239	-	-	1,357,299	77,369	3,838,374
Noninstructional services	-	-	-	-	-	1,005,145
Facilities acquisition and construction	-	-	-	801,335	-	801,335
Debt services	-	-	170,446	-	-	170,446
Nonprogrammed charges	-	-	-	-	-	462,642
Total disbursements	<u>94,239</u>	<u>12,383</u>	<u>170,446</u>	<u>2,158,634</u>	<u>77,369</u>	<u>7,699,999</u>
Excess (deficiency) of receipts over disbursements	<u>11,339</u>	<u>2,403</u>	<u>69,494</u>	<u>343,062</u>	<u>617,073</u>	<u>1,042,879</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	264
Transfers in	-	-	-	-	-	23,331
Transfers out	-	-	-	-	(500,000)	(577,727)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(554,132)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>11,339</u>	<u>2,403</u>	<u>69,494</u>	<u>343,062</u>	<u>117,073</u>	<u>488,747</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>18,737</u>	<u>1,138,104</u>	<u>241,925</u>	<u>3,689,923</u>
Cash and investments - ending	<u>\$ 11,339</u>	<u>\$ 2,403</u>	<u>\$ 88,231</u>	<u>\$ 1,481,166</u>	<u>\$ 358,998</u>	<u>\$ 4,178,670</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 11,339	\$ 2,403	\$ -	\$ 1,481,166	\$ 358,998	\$ 4,090,439
Restricted assets:						
Cash and investments	-	-	88,231	-	-	88,231
Total cash and investment assets - ending	<u>\$ 11,339</u>	<u>\$ 2,403</u>	<u>\$ 88,231</u>	<u>\$ 1,481,166</u>	<u>\$ 358,998</u>	<u>\$ 4,178,670</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 88,231	\$ -	\$ -	\$ 88,231
Unrestricted	11,339	2,403	-	1,481,166	358,998	4,090,439
Total cash and investment fund balance - ending	<u>\$ 11,339</u>	<u>\$ 2,403</u>	<u>\$ 88,231</u>	<u>\$ 1,481,166</u>	<u>\$ 358,998</u>	<u>\$ 4,178,670</u>

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

	Cicero American Legion Aux Grant	Marathon Sahgill Oil Company	Swimming Program	Paul Achenbach Memorial	Miscellaneous Donations to Hamilton Heights Middle School	Donation Roselyn Recipes, Inc
Additions:						
Contributions:						
Other	\$ 200	\$ 6,469	\$ 1,900	\$ -	\$ -	\$ -
Total additions	<u>200</u>	<u>6,469</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	<u>-</u>	<u>2,578</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	200	3,891	-	-	-	-
Cash and investment fund balance - beginning	<u>1,260</u>	<u>-</u>	<u>1,049</u>	<u>785</u>	<u>331</u>	<u>33</u>
Cash and investments - June 30	<u>\$ 1,460</u>	<u>\$ 3,891</u>	<u>\$ 1,049</u>	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>
Net assets:						
Cash and investments	<u>\$ 1,460</u>	<u>\$ 3,891</u>	<u>\$ 1,049</u>	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,460</u>	<u>\$ 3,891</u>	<u>\$ 1,049</u>	<u>\$ 785</u>	<u>\$ 331</u>	<u>\$ 33</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Matt Cahill Memorial Scholarship	Donation PTO Magazine Sales	Primary School Clinic PTO Donation	Dean Small Scholarship	Dave Sheller Memorial Scholarship	Primary School Donation PTO Magazine Sales
Additions:						
Contributions:						
Other	\$ 25	\$ 5,174	\$ -	\$ -	\$ -	\$ 4,970
Total additions	<u>25</u>	<u>5,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,970</u>
Deductions:						
Administrative and general	<u>200</u>	<u>21,257</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>75</u>
Excess (deficiency) of total additions over total deductions	(175)	(16,083)	-	(500)	-	4,895
Cash and investment fund balance - beginning	<u>2,420</u>	<u>36,759</u>	<u>765</u>	<u>2,127</u>	<u>6,685</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 2,245</u>	<u>\$ 20,676</u>	<u>\$ 765</u>	<u>\$ 1,627</u>	<u>\$ 6,685</u>	<u>\$ 4,895</u>
Net assets:						
Cash and investments	<u>\$ 2,245</u>	<u>\$ 20,676</u>	<u>\$ 765</u>	<u>\$ 1,627</u>	<u>\$ 6,685</u>	<u>\$ 4,895</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,245</u>	<u>\$ 20,676</u>	<u>\$ 765</u>	<u>\$ 1,627</u>	<u>\$ 6,685</u>	<u>\$ 4,895</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Heidi O'Rear Scholarship	Susan Barnes Scholarship	Bishop Memorial	Indiana Abraham Lincoln Bicentennial Award	Ingrid Hook Memorial	Chris Musselman Memorial
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 200	\$ 2,632	\$ 1,000
Total additions	-	-	-	200	2,632	1,000
Deductions:						
Administrative and general	-	-	-	200	-	-
Excess (deficiency) of total additions over total deductions	-	-	-	-	2,632	1,000
Cash and investment fund balance - beginning	228	1,051	1,013	-	-	-
Cash and investments - June 30	<u>\$ 228</u>	<u>\$ 1,051</u>	<u>\$ 1,013</u>	<u>\$ -</u>	<u>\$ 2,632</u>	<u>\$ 1,000</u>
Net assets:						
Cash and investments	\$ 228	\$ 1,051	\$ 1,013	\$ -	\$ 2,632	\$ 1,000
Total net assets - cash and investment basis held in trust	<u>\$ 228</u>	<u>\$ 1,051</u>	<u>\$ 1,013</u>	<u>\$ -</u>	<u>\$ 2,632</u>	<u>\$ 1,000</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Hamilton Heights High Miscellaneous	Indiana Next Leadership FY 02/03	Wellness Program WV/WCI Trust	Middle School PSEO	2003-2004 Foundation Grants	2004-2005 Foundation Grants
Additions:						
Contributions:						
Other	\$ 500	\$ -	\$ 4,250	\$ 10,327	\$ -	\$ -
Total additions	<u>500</u>	<u>-</u>	<u>4,250</u>	<u>10,327</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	<u>2,646</u>	<u>-</u>	<u>2,050</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(2,146)	-	2,200	8,327	-	-
Cash and investment fund balance - beginning	<u>2,146</u>	<u>693</u>	<u>-</u>	<u>-</u>	<u>721</u>	<u>767</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 693</u>	<u>\$ 2,200</u>	<u>\$ 8,327</u>	<u>\$ 721</u>	<u>\$ 767</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ 693</u>	<u>\$ 2,200</u>	<u>\$ 8,327</u>	<u>\$ 721</u>	<u>\$ 767</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 693</u>	<u>\$ 2,200</u>	<u>\$ 8,327</u>	<u>\$ 721</u>	<u>\$ 767</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2005-2006 Foundation Grants	2006-2007 Foundation Grants	2007-2008 Foundation Grants	2008-2009 Hamilton Heights Grants	2001-2002 Foundation Grants	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 900	\$ -	\$ 38,547
Total additions	-	-	-	900	-	38,547
Deductions:						
Administrative and general	-	-	2,027	900	-	36,333
Excess (deficiency) of total additions over total deductions	-	-	(2,027)	-	-	2,214
Cash and investment fund balance - beginning	852	172	3,440	-	60	63,357
Cash and investments - June 30	<u>\$ 852</u>	<u>\$ 172</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 65,571</u>
Net assets:						
Cash and investments	<u>\$ 852</u>	<u>\$ 172</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 65,571</u>
Total net assets - cash and investment basis held in trust	<u>\$ 852</u>	<u>\$ 172</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 65,571</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	Hamilton Heights Donations	Cicero American Legion Aux Grant	Marathon Sahgill Oil Company	Swimming Program	Paul Achenbach Memorial	Miscellaneous Donations to Hamilton Heights Middle School
Additions:						
Contributions:						
Other	\$ 11,023	\$ -	\$ -	\$ 100	\$ -	\$ -
Total additions	<u>11,023</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	<u>8,188</u>	<u>-</u>	<u>455</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	2,835	-	(455)	100	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>1,460</u>	<u>3,891</u>	<u>1,049</u>	<u>785</u>	<u>331</u>
Cash and investments - June 30	<u>\$ 2,835</u>	<u>\$ 1,460</u>	<u>\$ 3,436</u>	<u>\$ 1,149</u>	<u>\$ 785</u>	<u>\$ 331</u>
Net assets:						
Cash and investments	<u>\$ 2,835</u>	<u>\$ 1,460</u>	<u>\$ 3,436</u>	<u>\$ 1,149</u>	<u>\$ 785</u>	<u>\$ 331</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,835</u>	<u>\$ 1,460</u>	<u>\$ 3,436</u>	<u>\$ 1,149</u>	<u>\$ 785</u>	<u>\$ 331</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Donation Roselyn Recipes, Inc	Matt Cahill Memorial Scholarship	Donation PTO Magazine Sales	Primary School Clinic PTO Donation	Dean Small Scholarship	Dave Sheller Memorial Scholarship
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 5,571	\$ -	\$ 373	\$ -
Total additions	<u>-</u>	<u>-</u>	<u>5,571</u>	<u>-</u>	<u>373</u>	<u>-</u>
Deductions:						
Administrative and general	<u>33</u>	<u>500</u>	<u>1,726</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(33)	(500)	3,845	-	(627)	-
Cash and investment fund balance - beginning	<u>33</u>	<u>2,245</u>	<u>7,153</u>	<u>765</u>	<u>1,627</u>	<u>6,685</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,745</u>	<u>\$ 10,998</u>	<u>\$ 765</u>	<u>\$ 1,000</u>	<u>\$ 6,685</u>
Net assets:						
Cash and investments	\$ -	\$ 1,745	\$ 10,998	\$ 765	\$ 1,000	\$ 6,685
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,745</u>	<u>\$ 10,998</u>	<u>\$ 765</u>	<u>\$ 1,000</u>	<u>\$ 6,685</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Primary School Donation PTO Magazine Sales	Heidi O'Rear Scholarship	Susan Barnes Scholarship	Bishop Memorial	Ingrid Hook Memorial	Chris Musselman Memorial
Additions:						
Contributions:						
Other	\$ 3,648	\$ -	\$ -	\$ -	\$ 25	\$ -
Total additions	<u>3,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>
Deductions:						
Administrative and general	<u>1,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>991</u>
Excess (deficiency) of total additions over total deductions	2,326	-	-	-	25	(991)
Cash and investment fund balance - beginning	<u>18,418</u>	<u>228</u>	<u>1,051</u>	<u>1,013</u>	<u>2,632</u>	<u>1,000</u>
Cash and investments - June 30	<u>\$ 20,744</u>	<u>\$ 228</u>	<u>\$ 1,051</u>	<u>\$ 1,013</u>	<u>\$ 2,657</u>	<u>\$ 9</u>
Net assets:						
Cash and investments	<u>\$ 20,744</u>	<u>\$ 228</u>	<u>\$ 1,051</u>	<u>\$ 1,013</u>	<u>\$ 2,657</u>	<u>\$ 9</u>
Total net assets - cash and investment basis held in trust	<u>\$ 20,744</u>	<u>\$ 228</u>	<u>\$ 1,051</u>	<u>\$ 1,013</u>	<u>\$ 2,657</u>	<u>\$ 9</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	One on One Community Library	Indiana Next Leadership FY 02/03	Wellness Program WV/WCI Trust	Middle School PSEO	Autism Advocates Grants	2003-2004 Foundation Grants
Additions:						
Contributions:						
Other	\$ 436	\$ -	\$ 6,231	\$ -	\$ 1,200	\$ -
Total additions	<u>436</u>	<u>-</u>	<u>6,231</u>	<u>-</u>	<u>1,200</u>	<u>-</u>
Deductions:						
Administrative and general	<u>-</u>	<u>693</u>	<u>3,696</u>	<u>897</u>	<u>1,200</u>	<u>721</u>
Excess (deficiency) of total additions over total deductions	436	(693)	2,535	(897)	-	(721)
Cash and investment fund balance - beginning	<u>-</u>	<u>693</u>	<u>2,200</u>	<u>8,327</u>	<u>-</u>	<u>721</u>
Cash and investments - June 30	<u>\$ 436</u>	<u>\$ -</u>	<u>\$ 4,735</u>	<u>\$ 7,430</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 436</u>	<u>\$ -</u>	<u>\$ 4,735</u>	<u>\$ 7,430</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 436</u>	<u>\$ -</u>	<u>\$ 4,735</u>	<u>\$ 7,430</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON HEIGHTS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	2004-2005 Foundation Grants	2005-2006 Foundation Grants	2006-2007 Foundation Grants	2007-2008 Foundation Grants	2001-2002 Foundation Grants	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,607
Total additions	-	-	-	-	-	28,607
Deductions:						
Administrative and general	767	852	172	1,413	60	24,686
Excess (deficiency) of total additions over total deductions	(767)	(852)	(172)	(1,413)	(60)	3,921
Cash and investment fund balance - beginning	767	852	172	1,413	60	65,571
Cash and investments - June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,492
Net assets:						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,492
Total net assets - cash and investment basis held in trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,492

HAMILTON HEIGHTS SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Hamilton Heights School Building Corporation	\$ 16,580,000	\$ 2,130,000
Hamilton Heights High School Building Corporation	930,000	949,000
Notes and loans payable:		
Veteran's Memorial #32	5,000	5,050
Common School A310	375,480	100,742
Common School A340	434,899	100,808
Bonds payable:		
General obligation bonds:		
Pension Bonds	1,020,000	169,968
General Obligation Bond of 2008	4,085,000	597,986
Total governmental activities debt	\$ 23,430,379	\$ 4,053,554

HAMILTON HEIGHTS SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

FEDERAL AND STATE COMPLIANCE - SPECIAL
EDUCATION CASH MANAGEMENT REQUIREMENT

Special Education grant funds for the 2008-2009 and 2009-2010 grants as well as the ARRA Special Education Preschool 2009-2010 grant had large cash balances 9 out of 10 months, 8 out of 10 months, and 6 out of 10 months, respectively. The "Cash on Hand" balance ranged in surplus from \$44,156.84 to 13,823.47 for the 2008-2009 grant in the months of September to May and \$24,314.99 to \$23,514.94 for the 2009-2010 grant in the months of November to June. The "Cash on Hand" balance for the ARRA Special Education Preschool 2009-2010 grant ranged from \$4,436 to \$4,588.35 in the months of September to January and at the end of June 2010, the cash balance was \$2,402.60.

EDGAR 80.20 (b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN FUND BALANCES

The Drug Free Title IV 08/09 Fund was overdrawn \$558 at June 30, 2009, and the Textbook Rental Fund was overdrawn \$25,459 at June 30, 2010.

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE HAMILTON HEIGHTS SCHOOL
CORPORATION, HAMILTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Hamilton Heights 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major

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

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

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

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

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and 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

January 31, 2011

HAMILTON HEIGHTS 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.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	#3025	\$ 39,643	\$ 79,902
National School Lunch Program	10.555	#3025	<u>275,733</u>	<u>341,686</u>
Total for cluster			<u>315,376</u>	<u>421,588</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010			
		FY 07-08	41,112	-
		FY 08-09	74,531	25,734
		FY 09-10	<u>-</u>	<u>76,285</u>
Total for program			<u>115,643</u>	<u>102,019</u>
Pass-Through Carmel Clay School Corporation Special Education Cluster Special Education - Grants to States	84.027			
		FY 06-07	16,490	-
		FY 08-09	79,455	8,859
		FY 09-10	<u>-</u>	<u>61,649</u>
Total for program			<u>95,945</u>	<u>70,508</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		FY 09-10	<u>-</u>	<u>94,239</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		FY 09-10	<u>-</u>	<u>12,383</u>
Total for cluster			<u>95,945</u>	<u>177,130</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		Project 05-06	2,700	618
		FY 08-09	2,700	1,584
		FY 09-10	<u>-</u>	<u>3,626</u>
Total for program			<u>5,400</u>	<u>5,828</u>
State Grants for Innovative Programs	84.298		<u>1,581</u>	<u>4,408</u>
Pass-Through Wabash Valley Education Center English Language Acquisition Grants	84.365			
		FY 08-09	1,230	47
		FY 09-10	<u>-</u>	<u>896</u>
Total for program			<u>1,230</u>	<u>943</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		Project 02-287	54,977	6,379
		Project 08-3025	38,496	8,461
		FY 09-10	<u>-</u>	<u>22,006</u>
Total for program			<u>93,473</u>	<u>36,846</u>
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
			<u>-</u>	<u>1,579,308</u>
Total for program			<u>-</u>	<u>1,579,308</u>
Total for federal grantor agency			<u>313,272</u>	<u>1,906,482</u>
Total federal awards expended			<u>\$ 628,648</u>	<u>\$ 2,328,070</u>

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

HAMILTON HEIGHTS 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 Hamilton Heights 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
National School Lunch Program	10.555	\$ 49,681	\$ 38,494
School Breakfast Program	10.553	4,293	11,086

HAMILTON HEIGHTS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Special Education Cluster
	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? no

Section II – Financial Statement Findings

No matters are reportable.

HAMILTON HEIGHTS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

2010-1 INTERNAL CONTROL REPORTABLE CONDITION/CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Special Education Cluster
CFDA Number: 84.027, 84.391, and 84.392
Award Numbers: 2008-09, 2009-10
Pass-Through Entity: Carmel Clay School Corporation
Auditee Contact Person: Kristin McCarty
Title of Contact Person: Treasurer
Phone Number of Contact Person: (317) 984-3538

During the audit period we noted that 9 out of 10 months (90%) of the 2008-2009 and 8 out of 10 months (80%) of the 2009-2010 special education grant month-end balances were greater than 2 months' average expenditures. Also, 6 out of 60 (60%) of the 2009-2010 ARRA Preschool grant had month-end balances greater than 2 months' average expenditures. Surplus cash indicated noncompliance with the Cash Management requirement as set forth by the grant agreement.

EDGAR 80.20 (b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Failure to minimize the cash on hand as determined by the grant agreement and the CFR has caused noncompliance with the grant requirements and may cause future funding to be reduced by the pass-through agency.

We recommended School Corporation Officials initiate procedures to establish controls over the timing of grant fund requests in comparison to the timing of when grant fund expenditures will be made and properly monitor those controls to ensure that cash balances are kept at a minimum and the School Corporation is in compliance with the cash management requirements.

HAMILTON HEIGHTS SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

HAMILTON HEIGHTS *School Corporation*

Administration Office, P.O. Box 469 Arcadia, IN 46030 • Telephone: (317) 984-3538 • Fax: (317) 984-3042

January 11, 2011

Finding No. 2010-1 Internal Control Reportable Condition / Cash Management

Federal Agency: U.S. Department of Education

Federal Program: Special Education Cluster

CFDA Number: 84.027 and 84.392

Pass-Through Entity: Carmel Clay School Corporation

Corrective Action Planned:

This issue has already been corrected with Indiana Department of Education's change from advancing federal funds to reimbursement of expenses. This change became effective for all federal grants July 1, 2010.



Kristin McCarty

Anthony J. Cook – Superintendent
Peggy D. Jackson – Associate Superintendent
Kimberly Luckey – Special Education Coordinator
Heather Elliott - District Literacy & Curriculum Coordinator
Kathy Alexander – Registrar/Student Services

Kristin McCarty – Treasurer
Cathy Pickett – Deputy Treasurer
Kathy Godby – Purchasing/Acct. Pay.
Camille Bill – Food Service Dir. & LHLC Dir.
Patty Brockett - Secretary

HAMILTON HEIGHTS SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2011, with Anthony J. Cook, Superintendent of Schools; Peggy Jackson, Associate Superintendent of Schools; Laura Reuter, President of the School Board; Kristin McCarty, Treasurer; Cathy Pickett, Deputy Treasurer; and Pauleeta A. Browning, former Treasurer. The official response has been made a part of this report and may be found on pages 63 and 64.

HAMILTON HEIGHTS *School Corporation*

Administration Office, P.O. Box 469 Arcadia, IN 46030 • Telephone: (317) 984-3538 • Fax: (317) 984-3042

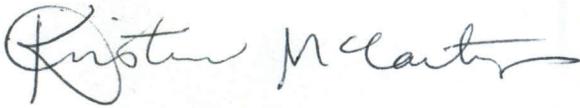
January 11, 2011

Finding No. 2010-1 Internal Control Reportable Condition / Cash Management
OFFICIAL RESPONSE

Federal Agency: U.S. Department of Education
Federal Program: Special Education Cluster
CFDA Number: 84.027 and 84.392
Pass-Through Entity: Carmel Clay School Corporation

Corrective Action Planned:

This issue has already been corrected with Indiana Department of Education's change from advancing federal funds to reimbursement of expenses. This change became effective for all federal grants July 1, 2010.



Kristin McCarty

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FEB 17 2011

STATE BOARD OF ACCOUNTS

Anthony J. Cook – Superintendent
Peggy D. Jackson – Associate Superintendent
Kimberly Luckey – Special Education Coordinator
Heather Elliott - District Literacy & Curriculum Coordinator
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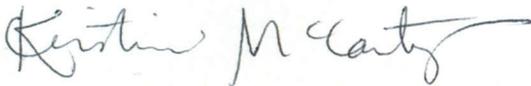
February 10, 2011

Finding No. 2010-2 Overdrawn Fund Balances
OFFICIAL RESPONSE

Corrective Action Planned:

HHSC purchased and charged books for many years paying interest on the charges. The account was accumulating debt due to this practice so the decision was made to pay all outstanding debts and all future purchases by cash. We expected this change to create a deficit balance temporarily; however, we are now in a surplus position as of 1/31/11 of \$40,927.92. This year we will have a significant expense to purchase math, science and health books in one year. We expect the account to have a deficit balance to purchase the books prior to receiving student payments, but we will recommend a loan from the Rainy Day Fund to offset the deficit until payments are received from students to cover the costs of the books.

The Title IV Safe & Drug Free Program funding was eliminated and application is no longer available.



Kristin McCarty

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FEB 17 2011
STATE BOARD OF ACCOUNTS

Anthony J. Cook – Superintendent
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