

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

AUDIT REPORT
OF
GREENSBURG COMMUNITY SCHOOLS
DECATUR COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
03/14/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Dennis Goldberg Cindy Navarra	07-01-08 to 12-31-08 01-01-09 to 06-30-11
Superintendent of Schools	Thomas Hunter	07-01-08 to 06-30-11
President of the School Board	Dave Meyer Tony Owens Lisa Tressler	07-01-08 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



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

TO: THE OFFICIALS OF THE GREENSBURG COMMUNITY
SCHOOLS, DECATUR COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greensburg Community Schools (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 27, 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, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 27, 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 GREENSBURG COMMUNITY
SCHOOLS, DECATUR COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greensburg Community Schools (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 27, 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.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2010-1 to be material weakness.

Compliance and Other Matters

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

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

This report is intended solely for the information and use of the School Corporation's management, 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 27, 2011

GREENSBURG COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 9,809,061	\$ -	\$ 92,020	\$ (9,717,041)
Support services	6,764,476	592,307	507,538	(5,664,631)
Noninstructional services	991,230	-	-	(991,230)
Facilities acquisition and construction	1,021,026	-	-	(1,021,026)
Debt service	2,574,301	-	-	(2,574,301)
Nonprogrammed charges	815,107	-	-	(815,107)
Total governmental activities	\$ 21,975,201	\$ 592,307	\$ 599,558	(20,783,336)
General receipts:				
Property taxes				9,391,871
Other local sources				1,866,639
State aid				9,341,053
Grants and contributions not restricted to specific programs				1,869,748
Sale of property				1,195
Investment earnings				103,367
Other				599,614
Total general receipts				23,173,487
Change in net assets				2,390,151
Net assets - beginning				4,881,930
Net assets - ending				\$ 7,272,081
<u>Assets</u>				
Cash and investments				\$ 7,272,081
<u>Net Assets</u>				
Unrestricted				\$ 7,272,081

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

GREENSBURG COMMUNITY SCHOOLS
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>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 10,416,528	\$ -	\$ 63,460	\$ (10,353,068)
Support services	7,046,932	602,717	707,846	(5,736,369)
Noninstructional services	1,027,986	-	-	(1,027,986)
Facilities acquisition and construction	921,317	-	-	(921,317)
Debt service	2,608,955	-	-	(2,608,955)
Nonprogrammed charges	189,347	-	-	(189,347)
Total governmental activities	<u>\$ 22,211,065</u>	<u>\$ 602,717</u>	<u>\$ 771,306</u>	<u>(20,837,042)</u>
General receipts:				
Property taxes				7,105,800
Other local sources				1,455,158
State aid				12,547,841
Grants and contributions not restricted to specific programs				1,938,253
Sale of property				350
Investment earnings				113,908
Other				<u>662,131</u>
Total general receipts				<u>23,823,441</u>
Change in net assets				2,986,399
Net assets - beginning				<u>7,272,081</u>
Net assets - ending				<u>\$ 10,258,480</u>
Assets				
Cash and investments				\$ 8,334,743
Restricted assets:				
Cash and investments				<u>1,923,737</u>
Total assets				<u>\$ 10,258,480</u>
Net Assets				
Restricted for:				
Debt service				\$ 1,923,737
Unrestricted				<u>8,334,743</u>
Total net assets				<u>\$ 10,258,480</u>

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

GREENSBURG COMMUNITY SCHOOLS
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	Debt Service	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 4,743,740	\$ 2,769,051	\$ 2,315,792	\$ 2,122,995	\$ 11,951,578
Intermediate sources	467	-	-	2,138	2,605
State sources	9,393,388	-	-	256,671	9,650,059
Federal sources	-	-	-	2,160,301	2,160,301
Interfund loans	2,356,205	1,189,200	1,000,000	612,794	5,158,199
Other	184,043	-	345,281	70,290	599,614
Total receipts	16,677,843	3,958,251	3,661,073	5,225,189	29,522,356
Disbursements:					
Current:					
Instruction	8,829,755	-	-	979,306	9,809,061
Support services	3,795,829	-	1,589,173	1,379,474	6,764,476
Noninstructional services	-	-	-	991,230	991,230
Facilities acquisition and construction	-	-	895,828	125,198	1,021,026
Debt services	-	2,209,000	-	365,301	2,574,301
Nonprogrammed charges	198,180	-	-	616,927	815,107
Interfund loans	1,801,994	1,644,150	65,158	1,646,897	5,158,199
Total disbursements	14,625,758	3,853,150	2,550,159	6,104,333	27,133,400
Excess (deficiency) of receipts over disbursements	2,052,085	105,101	1,110,914	(879,144)	2,388,956
Other financing sources (uses):					
Sale of capital assets	1,195	-	-	-	1,195
Transfers in	-	-	-	693,396	693,396
Transfers out	-	(105,101)	-	(588,295)	(693,396)
Total other financing sources (uses)	1,195	(105,101)	-	105,101	1,195
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,053,280	-	1,110,914	(774,043)	2,390,151
Cash and investments - beginning	2,635,940	-	-	2,245,990	4,881,930
Cash and investments - ending	\$ 4,689,220	\$ -	\$ 1,110,914	\$ 1,471,947	\$ 7,272,081
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 4,689,220	\$ -	\$ 1,110,914	\$ 1,471,947	\$ 7,272,081
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	\$ 4,689,220	\$ -	\$ 1,110,914	\$ 1,471,947	\$ 7,272,081

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

GREENSBURG COMMUNITY SCHOOLS
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	Debt Service	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 85,653	\$ 3,629,496	\$ 2,990,453	\$ 2,569,610	\$ 9,275,212
Intermediate sources	-	-	-	2,371	2,371
State sources	12,571,296	-	-	253,126	12,824,422
Federal sources	-	-	-	2,432,978	2,432,978
Interfund loans	210,761	-	-	1,000,000	1,210,761
Other	56,944	-	16,487	588,700	662,131
Total receipts	12,924,654	3,629,496	3,006,940	6,846,785	26,407,875
Disbursements:					
Current:					
Instruction	8,479,295	-	-	1,937,233	10,416,528
Support services	3,725,723	-	1,546,285	1,774,924	7,046,932
Noninstructional services	241	-	-	1,027,745	1,027,986
Facilities acquisition and construction	-	-	743,089	178,228	921,317
Debt services	-	2,245,950	-	363,005	2,608,955
Nonprogrammed charges	186,847	-	-	2,500	189,347
Interfund loans	-	-	1,000,000	210,761	1,210,761
Total disbursements	12,392,106	2,245,950	3,289,374	5,494,396	23,421,826
Excess (deficiency) of receipts over disbursements	532,548	1,383,546	(282,434)	1,352,389	2,986,049
Other financing sources (uses):					
Sale of capital assets	350	-	-	-	350
Transfers in	215,920	312,509	448,841	1,308,751	2,286,021
Transfers out	(240,517)	-	-	(2,045,504)	(2,286,021)
Total other financing sources (uses)	(24,247)	312,509	448,841	(736,753)	350
Excess of receipts and other financing sources over disbursements and other financing uses	508,301	1,696,055	166,407	615,636	2,986,399
Cash and investments - beginning	4,689,220	-	1,110,914	1,471,947	7,272,081
Cash and investments - ending	<u>\$ 5,197,521</u>	<u>\$ 1,696,055</u>	<u>\$ 1,277,321</u>	<u>\$ 2,087,583</u>	<u>\$ 10,258,480</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 5,197,521	\$ -	\$ 1,277,321	\$ 1,859,901	\$ 8,334,743
Restricted assets:					
Cash and investments	-	1,696,055	-	227,682	1,923,737
Total cash and investment assets - ending	<u>\$ 5,197,521</u>	<u>\$ 1,696,055</u>	<u>\$ 1,277,321</u>	<u>\$ 2,087,583</u>	<u>\$ 10,258,480</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ 1,696,055	\$ -	\$ 227,682	\$ 1,923,737
Unrestricted	5,197,521	-	1,277,321	1,859,901	8,334,743
Total cash and investment fund balance - ending	<u>\$ 5,197,521</u>	<u>\$ 1,696,055</u>	<u>\$ 1,277,321</u>	<u>\$ 2,087,583</u>	<u>\$ 10,258,480</u>

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

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

	Retirement/ Severance Bond	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 36,685	
Investment earnings:			
Interest	-	5,250	
Other receipts	614,327	-	
Total additions	614,327	41,935	
Deductions:			
Benefits	33,438	-	
Administrative and general	-	33,980	
Total deductions	33,438	33,980	
Excess of total additions over total deductions	580,889	7,955	
Cash and investment fund balance - beginning	654,267	363,923	
Cash and investment fund balance - ending	\$ 1,235,156	\$ 371,878	\$ 108,369
Net assets:			
Cash and investments	\$ 1,235,156	\$ 371,878	
Total net assets - cash and investment basis held in trust	\$ 1,235,156	\$ 371,878	

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

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

	<u>Retirement/ Severance Bond</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 30,690	
Investment earnings:			
Interest	-	4,505	
Total additions	-	35,195	
Deductions:			
Administrative and general	586,064	37,911	
Deficiency of total additions over total deductions	(586,064)	(2,716)	
Cash and investment fund balance - beginning	1,235,156	371,878	
Cash and investment fund balance - ending	<u>\$ 649,092</u>	<u>\$ 369,162</u>	<u>\$ 111,859</u>
Net assets:			
Cash and investments	<u>\$ 649,092</u>	<u>\$ 369,162</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 649,092</u>	<u>\$ 369,162</u>	

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

GREENSBURG COMMUNITY SCHOOLS
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: Greensburg Community Schools

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 Bartholomew Consolidated Special Education Co-operative which was created to provide educational opportunities for special needs children. The School Corporation is obligated by contract to remit \$45,000 annually to supplement the Bartholomew Consolidated Special Educational Co-operative. Complete financial statements for the Bartholomew Consolidated Special Educational Co-operative can be obtained from Bartholomew Consolidated School Corporation at 703 Washington Street, Columbus, IN 47201.

The School Corporation is a participant in a joint venture to operate Bartholomew Consolidated C4 Career Classes which was created to provide vocational education opportunities to students. The School Corporation is obligated by contract to remit \$35,000 annually to supplement the Bartholomew Consolidated C4 Career Classes. Complete financial statements for the Bartholomew Consolidated C4 Career Classes can be obtained from Bartholomew Consolidated School Corporation at 703 Washington Street, Columbus, IN 47201.

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.

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

The Capital Projects Fund accounts for planned construction, repair, replacement or remodeling of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the school cooperation in a trustee capacity.

The private-purpose trust funds report trust arrangements under which principal and income benefit the annual disbursement of scholarship funds to eligible 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.

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

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.

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

Program Receipts

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

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 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.
2. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
3. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

GREENSBURG COMMUNITY SCHOOLS
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:

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.

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.

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:

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2009	2010
IDEA PL 101-476	\$ 68,388	\$ -
IDEA 09-10	-	25,619
ECO - 15 Learning Center	-	10,367
IDEA Part B Stimulus	-	3,373

Cash and investment deficits arose primarily from disbursements exceeding receipts due to delays in reimbursements from other entities. The 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. Investments can include bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State; certificates of deposit issued by financial institutions organized and authorized to operate in this State. At June 30, 2010, the School Corporation had deposit balances in the amount of \$11,388,595.

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

Statutory Authorization for Investments

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 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

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ -	\$ 240,517
Debt Service Fund	Other Governmental Funds	105,101	-
Other Governmental Funds	General Fund	-	215,920
Other Governmental Funds	Capital Projects Fund	-	448,841
Other Governmental Funds	Debt Service Fund	-	312,509
Other Governmental Funds	Other Governmental Funds	588,295	1,068,234
Totals		\$ 693,396	\$ 2,286,021

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions. Interfund transfers and/or loans were made to provide operating funds for local property tax funded funds when tax distributions were not received on a timely basis.

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2008	Fund Reclassification	Balance as Restated July 1, 2008
Governmental	\$ 4,881,199	\$ 731	\$ 4,881,930
Private-Purpose Trust	364,654	(731)	363,923

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees, and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with Medical benefits for employees, retirees, and dependents. The risk financing fund is accounted for in the General Fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the fund. Employee payroll deductions and employer contributions are held by a third party administrator for claim settlements. Employer contributions are paid from the fund in which the employees are paid.

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.

B. Holding Corporation

The School Corporation has entered into a capital lease with Greensburg Schools 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 2008-2009 and 2009-2010 totaled \$2,205,976 and \$2,237,695, respectively.

C. 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

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$237,807.

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

Teachers' Retirement Fund

Plan Description

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

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

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

GREENSBURG COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$511,531.

GREENSBURG COMMUNITY SCHOOLS
 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 Pre-School	Local Rainy Day	School Lunch	Textbook Rental	Levy Excess	Educational License Plate Fees
Receipts:							
Local sources	\$ 797,568	\$ 14,589	\$ -	\$ 569,408	\$ 168,566	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	2,138
State sources	-	81,905	-	11,080	54,725	-	-
Federal sources	-	8,870	-	441,733	-	-	-
Interfund loans	35,914	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	833,482	105,364	-	1,022,221	223,291	-	2,138
Disbursements:							
Current:							
Instruction	-	55,016	-	-	-	-	-
Support services	787,456	-	-	20,000	194,704	-	-
Noninstructional services	-	-	-	990,390	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	614,327	-	-	-	-
Interfund loans	35,914	-	-	-	-	1,000,000	-
Total disbursements	823,370	55,016	614,327	1,010,390	194,704	1,000,000	-
Excess (deficiency) of receipts over disbursements	10,112	50,348	(614,327)	11,831	28,587	(1,000,000)	2,138
Other financing sources (uses):							
Transfers in	-	-	691,165	-	-	-	-
Transfers out	-	-	-	-	-	(586,064)	-
Total other financing sources (uses)	-	-	691,165	-	-	(586,064)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,112	50,348	76,838	11,831	28,587	(1,586,064)	2,138
Cash and investments - beginning	203,109	130,593	28,263	82,323	23,699	1,586,064	9,544
Cash and investments - ending	\$ 213,221	\$ 180,941	\$ 105,101	\$ 94,154	\$ 52,286	\$ -	\$ 11,682
Cash and Investment Assets - Ending							
Cash and investments	\$ 213,221	\$ 180,941	\$ 105,101	\$ 94,154	\$ 52,286	\$ -	\$ 11,682
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 213,221	\$ 180,941	\$ 105,101	\$ 94,154	\$ 52,286	\$ -	\$ 11,682

GREENSBURG COMMUNITY SCHOOLS
 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)

	Safe Haven Grant	Early Intervention	Gifted and Talented	Learning Center	Learning Center Grant	Non-English Speaking Grant	Thank a Teacher Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 75,645	\$ -	\$ -	\$ 1,951
Intermediate sources	-	-	-	-	-	-	-
State sources	790	9,000	34,739	-	-	4,947	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	790	9,000	34,739	75,645	-	4,947	1,951
Disbursements:							
Current:							
Instruction	-	9,000	45,699	25,631	-	11,173	1,625
Support services	790	-	-	69,349	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	790	9,000	45,699	94,980	-	11,173	1,625
Excess (deficiency) of receipts over disbursements	-	-	(10,960)	(19,335)	-	(6,226)	326
Other financing sources (uses):							
Transfers in	-	-	-	731	-	-	-
Transfers out	-	-	-	-	(731)	-	-
Total other financing sources (uses)	-	-	-	731	(731)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(10,960)	(18,604)	(731)	(6,226)	326
Cash and investments - beginning	-	-	14,425	84,104	731	6,489	164
Cash and investments - ending	\$ -	\$ -	\$ 3,465	\$ 65,500	\$ -	\$ 263	\$ 490
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 3,465	\$ 65,500	\$ -	\$ 263	\$ 490
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ -	\$ 3,465	\$ 65,500	\$ -	\$ 263	\$ 490

GREENSBURG COMMUNITY SCHOOLS
 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)

	OFC After School Grant	Leadership Grant	Eco - 15 Grant	Elementary Laptop Program	Title I 07-08	Title I 08-09	Title V 06-07
Receipts:							
Local sources	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	59,485	-	-	-	-
Federal sources	-	-	-	-	19,000	296,822	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	70,290	-	-	-
Total receipts	-	2,000	59,485	70,290	19,000	296,822	-
Disbursements:							
Current:							
Instruction	186	-	-	-	41,379	264,610	-
Support services	-	-	-	-	-	10,291	986
Noninstructional services	-	642	-	-	-	198	-
Facilities acquisition and construction	-	-	53,955	70,290	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	186	642	53,955	70,290	41,379	275,099	986
Excess (deficiency) of receipts over disbursements	(186)	1,358	5,530	-	(22,379)	21,723	(986)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	1,500	-
Transfers out	-	-	-	-	(1,500)	-	-
Total other financing sources (uses)	-	-	-	-	(1,500)	1,500	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(186)	1,358	5,530	-	(23,879)	23,223	(986)
Cash and investments - beginning	214	-	-	-	23,879	-	986
Cash and investments - ending	\$ 28	\$ 1,358	\$ 5,530	\$ -	\$ -	\$ 23,223	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 28	\$ 1,358	\$ 5,530	\$ -	\$ -	\$ 23,223	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ 28	\$ 1,358	\$ 5,530	\$ -	\$ -	\$ 23,223	\$ -

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

	Title V 07-08	IDEA 08-09	Title IV 06-07	Title IV 07-08	Title IV 08-09	Title II Part A 06-07	Title II Part A 07-08
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	3,663	228,288	-	-	6,311	-	64,000
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	3,663	228,288	-	-	6,311	-	64,000
Disbursements:							
Current:							
Instruction	-	209,869	3,651	920	-	10,685	40,965
Support services	2,379	87,901	-	-	-	500	2,858
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	474	479	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,600	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	2,379	297,770	4,125	1,399	-	13,785	43,823
Excess (deficiency) of receipts over disbursements	1,284	(69,482)	(4,125)	(1,399)	6,311	(13,785)	20,177
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,284	(69,482)	(4,125)	(1,399)	6,311	(13,785)	20,177
Cash and investments - beginning	-	1,094	4,125	7,451	-	13,785	21,659
Cash and investments - ending	\$ 1,284	\$ (68,388)	\$ -	\$ 6,052	\$ 6,311	\$ -	\$ 41,836
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,284	\$ (68,388)	\$ -	\$ 6,052	\$ 6,311	\$ -	\$ 41,836
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 1,284	\$ (68,388)	\$ -	\$ 6,052	\$ 6,311	\$ -	\$ 41,836

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

	Title II Part A 08-09	Title II Part D 06-07	Fiscal Stabilization	Retirement/ Severance Bond	Transportation Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 364,137	\$ 129,131	\$ 2,122,995
Intermediate sources	-	-	-	-	-	2,138
State sources	-	-	-	-	-	256,671
Federal sources	20,766	2,500	1,068,348	-	-	2,160,301
Interfund loans	-	-	-	491,536	85,344	612,794
Other	-	-	-	-	-	70,290
Total receipts	20,766	2,500	1,068,348	855,673	214,475	5,225,189
Disbursements:						
Current:						
Instruction	1,800	2,564	254,533	-	-	979,306
Support services	1,500	-	106,896	-	93,864	1,379,474
Noninstructional services	-	-	-	-	-	991,230
Facilities acquisition and construction	-	-	-	-	-	125,198
Debt services	-	-	-	365,301	-	365,301
Nonprogrammed charges	-	-	-	-	-	616,927
Interfund loans	-	-	-	490,372	120,611	1,646,897
Total disbursements	3,300	2,564	361,429	855,673	214,475	6,104,333
Excess (deficiency) of receipts over disbursements	17,466	(64)	706,919	-	-	(879,144)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	693,396
Transfers out	-	-	-	-	-	(588,295)
Total other financing sources (uses)	-	-	-	-	-	105,101
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,466	(64)	706,919	-	-	(774,043)
Cash and investments - beginning	-	3,289	-	-	-	2,245,990
Cash and investments - ending	<u>\$ 17,466</u>	<u>\$ 3,225</u>	<u>\$ 706,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,471,947</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 17,466</u>	<u>\$ 3,225</u>	<u>\$ 706,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,471,947</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 17,466</u>	<u>\$ 3,225</u>	<u>\$ 706,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,471,947</u>

GREENSBURG COMMUNITY SCHOOLS
 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 Pre-School	Local Rainy Day	School Lunch	Textbook Rental	Levy Excess	Educational License Plate Fees
Receipts:							
Local sources	\$ 679,943	\$ -	\$ -	\$ 552,853	\$ 147,709	\$ 31,131	\$ -
Intermediate sources	-	-	-	-	-	-	2,371
State sources	-	46,750	-	10,624	44,361	-	-
Federal sources	-	16,421	-	652,861	-	-	-
Interfund loans	-	-	-	-	-	1,000,000	-
Other	105	-	-	-	-	586,064	-
Total receipts	680,048	63,171	-	1,216,338	192,070	1,617,195	2,371
Disbursements:							
Current:							
Instruction	-	28,192	-	-	-	-	-
Support services	841,149	-	88,000	30,481	170,483	-	-
Noninstructional services	-	-	-	1,024,500	-	-	-
Facilities acquisition and construction	-	-	17,000	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	841,149	28,192	105,000	1,054,981	170,483	-	-
Excess (deficiency) of receipts over disbursements	(161,101)	34,979	(105,000)	161,357	21,587	1,617,195	2,371
Other financing sources (uses):							
Transfers in	967,702	-	-	-	-	240,517	-
Transfers out	-	(215,920)	-	-	-	(1,826,581)	-
Total other financing sources (uses)	967,702	(215,920)	-	-	-	(1,586,064)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	806,601	(180,941)	(105,000)	161,357	21,587	31,131	2,371
Cash and investments - beginning	213,221	180,941	105,101	94,154	52,286	-	11,682
Cash and investments - ending	\$ 1,019,822	\$ -	\$ 101	\$ 255,511	\$ 73,873	\$ 31,131	\$ 14,053
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,019,822	\$ -	\$ 101	\$ 255,511	\$ 73,873	\$ 31,131	\$ 14,053
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,019,822	\$ -	\$ 101	\$ 255,511	\$ 73,873	\$ 31,131	\$ 14,053
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,019,822	-	101	255,511	73,873	31,131	14,053
Total cash and investment fund balance - ending	\$ 1,019,822	\$ -	\$ 101	\$ 255,511	\$ 73,873	\$ 31,131	\$ 14,053

GREENSBURG COMMUNITY SCHOOLS
 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)

	Early Intervention	Learning Center	High Ability Grant 09-10	Learning Center Grant	Non-English Speaking Grant	Non-English Speaking Grant 09-10	Thank a Teacher Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 76,875	\$ -	\$ -	\$ 1,243
Intermediate sources	-	-	-	-	-	-	-
State sources	37,700	-	34,640	-	-	5,365	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	669	330	-	-	32
Total receipts	37,700	-	35,309	77,205	-	5,365	1,275
Disbursements:							
Current:							
Instruction	37,700	3,465	23,897	27,157	263	5,365	1,765
Support services	-	-	-	72,989	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	37,700	3,465	23,897	100,146	263	5,365	1,765
Excess (deficiency) of receipts over disbursements	-	(3,465)	11,412	(22,941)	(263)	-	(490)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,465)	11,412	(22,941)	(263)	-	(490)
Cash and investments - beginning	-	3,465	-	65,500	263	-	490
Cash and investments - ending	\$ -	\$ -	\$ 11,412	\$ 42,559	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 11,412	\$ 42,559	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 11,412	\$ 42,559	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	11,412	42,559	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 11,412	\$ 42,559	\$ -	\$ -	\$ -

GREENSBURG COMMUNITY SCHOOLS
 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)

	OFC After School Grant	Leadership Grant	Eco - 15 Grant	Eco - 15 Learning Center	School Safety Program	Workforce Board Grant
Receipts:						
Local sources	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	37,085	36,601	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	500	1,000
Total receipts	-	4,000	37,085	36,601	500	1,000
Disbursements:						
Current:						
Instruction	28	-	28,741	-	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	2,883	-	-	-	-
Facilities acquisition and construction	-	-	13,014	46,968	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	28	2,883	41,755	46,968	-	-
Excess (deficiency) of receipts over disbursements	(28)	1,117	(4,670)	(10,367)	500	1,000
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28)	1,117	(4,670)	(10,367)	500	1,000
Cash and investments - beginning	28	1,358	5,530	-	-	-
Cash and investments - ending	\$ -	\$ 2,475	\$ 860	\$ (10,367)	\$ 500	\$ 1,000
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 2,475	\$ 860	\$ (10,367)	\$ 500	\$ 1,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,475	\$ 860	\$ (10,367)	\$ 500	\$ 1,000
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,475	860	(10,367)	500	1,000
Total cash and investment fund balance - ending	\$ -	\$ 2,475	\$ 860	\$ (10,367)	\$ 500	\$ 1,000

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

	Title I 08-09	Title V 09-10	Title V 07-08	IDEA 08-09	IDEA 09-10	Title IV 07-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	25,000	297,132	1,429	114,144	284,639	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	25,000	297,132	1,429	114,144	284,639	-
Disbursements:						
Current:						
Instruction	22,637	271,556	-	44,416	225,099	5,676
Support services	22,583	2,486	2,713	1,340	85,159	-
Noninstructional services	-	362	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	376
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	45,220	274,404	2,713	45,756	310,258	6,052
Excess (deficiency) of receipts over disbursements	(20,220)	22,728	(1,284)	68,388	(25,619)	(6,052)
Other financing sources (uses):						
Transfers in	-	3,003	-	-	-	-
Transfers out	(3,003)	-	-	-	-	-
Total other financing sources (uses)	(3,003)	3,003	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,223)	25,731	(1,284)	68,388	(25,619)	(6,052)
Cash and investments - beginning	23,223	-	1,284	(68,388)	-	6,052
Cash and investments - ending	\$ -	\$ 25,731	\$ -	\$ -	\$ (25,619)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 25,731	\$ -	\$ -	\$ (25,619)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 25,731	\$ -	\$ -	\$ (25,619)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	25,731	-	-	(25,619)	-
Total cash and investment fund balance - ending	\$ -	\$ 25,731	\$ -	\$ -	\$ (25,619)	\$ -

GREENSBURG COMMUNITY SCHOOLS
 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 IV 08-09	Title II Part A 07-08	Title II Part A 08-09	Title II Part A 09-10	Title II Part D 06-07	Fiscal Stabilization
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	70,000	47,328	-	457,127
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	70,000	47,328	-	457,127
Disbursements:						
Current:						
Instruction	2,071	36,194	54,999	-	2,630	932,442
Support services	-	3,142	13,015	-	-	231,604
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	566	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	2,500	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	2,637	41,836	68,014	-	2,630	1,164,046
Excess (deficiency) of receipts over disbursements	(2,637)	(41,836)	1,986	47,328	(2,630)	(706,919)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,637)	(41,836)	1,986	47,328	(2,630)	(706,919)
Cash and investments - beginning	6,311	41,836	17,466	-	3,225	706,919
Cash and investments - ending	\$ 3,674	\$ -	\$ 19,452	\$ 47,328	\$ 595	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,674	\$ -	\$ 19,452	\$ 47,328	\$ 595	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,674	\$ -	\$ 19,452	\$ 47,328	\$ 595	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,674	-	19,452	47,328	595	-
Total cash and investment fund balance - ending	\$ 3,674	\$ -	\$ 19,452	\$ 47,328	\$ 595	\$ -

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

	Title I Stimulus	IDEA Part B Stimulus	Pre-School Stimulus	Retirement/ Severance Bond	Transportation Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 707,416	\$ 368,440	\$ 2,569,610
Intermediate sources	-	-	-	-	-	2,371
State sources	-	-	-	-	-	253,126
Federal sources	143,872	317,049	5,976	-	-	2,432,978
Interfund loans	-	-	-	-	-	1,000,000
Other	-	-	-	-	-	588,700
Total receipts	143,872	317,049	5,976	707,416	368,440	6,846,785
Disbursements:						
Current:						
Instruction	77,116	105,499	325	-	-	1,937,233
Support services	14,304	116,597	-	-	78,879	1,774,924
Noninstructional services	-	-	-	-	-	1,027,745
Facilities acquisition and construction	-	98,326	1,978	-	-	178,228
Debt services	-	-	-	363,005	-	363,005
Nonprogrammed charges	-	-	-	-	-	2,500
Interfund loans	-	-	-	183,780	26,981	210,761
Total disbursements	91,420	320,422	2,303	546,785	105,860	5,494,396
Excess (deficiency) of receipts over disbursements	52,452	(3,373)	3,673	160,631	262,580	1,352,389
Other financing sources (uses):						
Transfers in	-	-	-	67,051	30,478	1,308,751
Transfers out	-	-	-	-	-	(2,045,504)
Total other financing sources (uses)	-	-	-	67,051	30,478	(736,753)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	52,452	(3,373)	3,673	227,682	293,058	615,636
Cash and investments - beginning	-	-	-	-	-	1,471,947
Cash and investments - ending	\$ 52,452	\$ (3,373)	\$ 3,673	\$ 227,682	\$ 293,058	\$ 2,087,583
Cash and Investment Assets - Ending						
Cash and investments	\$ 52,452	\$ (3,373)	\$ 3,673	\$ -	\$ 293,058	\$ 1,859,901
Restricted assets:						
Cash and investments	-	-	-	227,682	-	227,682
Total cash and investment assets - ending	\$ 52,452	\$ (3,373)	\$ 3,673	\$ 227,682	\$ 293,058	\$ 2,087,583
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 227,682	\$ -	\$ 227,682
Unrestricted	52,452	(3,373)	3,673	-	293,058	1,859,901
Total cash and investment fund balance - ending	\$ 52,452	\$ (3,373)	\$ 3,673	\$ 227,682	\$ 293,058	\$ 2,087,583

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	First Federal Good Citizenship	Goddard Scholarship	Goddard Prize Endowments	Risk Scholarship	Shriver Scholarship	Melinda Bausback Scholarship	Class of '21 Scholarship
Additions:							
Contributions:							
Other	\$ 13,000	\$ 10,140	\$ 10,340	\$ -	\$ -	\$ -	\$ -
Investment earnings:							
Interest	-	1,487	1,485	42	320	51	4
Total additions	<u>13,000</u>	<u>11,627</u>	<u>11,825</u>	<u>42</u>	<u>320</u>	<u>51</u>	<u>4</u>
Deductions:							
Administrative and general	<u>13,000</u>	<u>1,616</u>	<u>10,366</u>	<u>54</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	-	10,011	1,459	(12)	(680)	51	4
Cash and investment fund balance - beginning	<u>-</u>	<u>99,680</u>	<u>100,151</u>	<u>2,825</u>	<u>22,418</u>	<u>3,502</u>	<u>251</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 109,691</u>	<u>\$ 101,610</u>	<u>\$ 2,813</u>	<u>\$ 21,738</u>	<u>\$ 3,553</u>	<u>\$ 255</u>
Net assets:							
Cash and investments	<u>\$ -</u>	<u>\$ 109,691</u>	<u>\$ 101,610</u>	<u>\$ 2,813</u>	<u>\$ 21,738</u>	<u>\$ 3,553</u>	<u>\$ 255</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 109,691</u>	<u>\$ 101,610</u>	<u>\$ 2,813</u>	<u>\$ 21,738</u>	<u>\$ 3,553</u>	<u>\$ 255</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Class of 59, 60, '61, & '63	DECA Scholarship	Freeland Award	Robert French Scholarship	Goodman Memorial Scholarship	Hamilton Scholarship	Sara Kinker Memorial Scholarship
Additions:							
Contributions:							
Other	\$ 1,279	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -
Investment earnings:							
Interest	46	41	8	474	33	44	185
Total additions	<u>1,325</u>	<u>41</u>	<u>8</u>	<u>574</u>	<u>33</u>	<u>44</u>	<u>185</u>
Deductions:							
Administrative and general	120	1,000	-	300	150	150	500
Excess (deficiency) of total additions over total deductions	1,205	(959)	8	274	(117)	(106)	(315)
Cash and investment fund balance - beginning	<u>2,513</u>	<u>3,930</u>	<u>559</u>	<u>32,028</u>	<u>2,253</u>	<u>3,078</u>	<u>12,458</u>
Cash and investments - June 30	<u>\$ 3,718</u>	<u>\$ 2,971</u>	<u>\$ 567</u>	<u>\$ 32,302</u>	<u>\$ 2,136</u>	<u>\$ 2,972</u>	<u>\$ 12,143</u>
Net assets:							
Cash and investments	\$ 3,718	\$ 2,971	\$ 567	\$ 32,302	\$ 2,136	\$ 2,972	\$ 12,143
Total net assets - cash and investment basis held in trust	<u>\$ 3,718</u>	<u>\$ 2,971</u>	<u>\$ 567</u>	<u>\$ 32,302</u>	<u>\$ 2,136</u>	<u>\$ 2,972</u>	<u>\$ 12,143</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Lillian Knox Scholarship	Lowe's Scholarship	Mowrey Awards	Sefton Scholarship	Remy Scholarship	Technology Scholarship Award	Donations, Gifts, Bequests
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,826
Investment earnings:							
Interest	164	391	52	35	388	-	-
Total additions	164	391	52	35	388	-	1,826
Deductions:							
Administrative and general	500	-	270	50	500	-	3,927
Excess (deficiency) of total additions over total deductions	(336)	391	(218)	(15)	(112)	-	(2,101)
Cash and investment fund balance - beginning	11,502	26,281	3,528	2,368	26,481	500	3,799
Cash and investments - June 30	<u>\$ 11,166</u>	<u>\$ 26,672</u>	<u>\$ 3,310</u>	<u>\$ 2,353</u>	<u>\$ 26,369</u>	<u>\$ 500</u>	<u>\$ 1,698</u>
Net assets:							
Cash and investments	\$ 11,166	\$ 26,672	\$ 3,310	\$ 2,353	\$ 26,369	\$ 500	\$ 1,698
Total net assets - cash and investment basis held in trust	<u>\$ 11,166</u>	<u>\$ 26,672</u>	<u>\$ 3,310</u>	<u>\$ 2,353</u>	<u>\$ 26,369</u>	<u>\$ 500</u>	<u>\$ 1,698</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Library Donations Class of 2004	Shroyer Library Donation	Linville Memorial Library	Science - Technology Scholarship	Schroeder Library Donation	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,685
Investment earnings:						
Interest	-	-	-	-	-	5,250
Total additions	-	-	-	-	-	41,935
Deductions:						
Administrative and general	296	131	-	-	50	33,980
Excess (deficiency) of total additions over total deductions	(296)	(131)	-	-	(50)	7,955
Cash and investment fund balance - beginning	518	131	119	3,000	50	363,923
Cash and investments - June 30	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 371,878</u>
Net assets:						
Cash and investments	\$ 222	\$ -	\$ 119	\$ 3,000	\$ -	\$ 371,878
Total net assets - cash and investment basis held in trust	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 371,878</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	First Federal Good Citizenship	Goddard Scholarship	Goddard Prize Endowments	Risk Scholarship	Shriver Scholarship	Melinda Bausback Scholarship	Class of '21 Scholarship
Additions:							
Contributions:							
Other	\$ 8,000	\$ 10,920	\$ 10,920	\$ -	\$ -	\$ -	\$ -
Investment earnings:							
Interest	-	1,297	1,297	36	270	39	3
Total additions	<u>8,000</u>	<u>12,217</u>	<u>12,217</u>	<u>36</u>	<u>270</u>	<u>39</u>	<u>3</u>
Deductions:							
Administrative and general	<u>8,000</u>	<u>9,145</u>	<u>13,131</u>	<u>53</u>	<u>500</u>	<u>500</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	-	3,072	(914)	(17)	(230)	(461)	3
Cash and investment fund balance - beginning	<u>-</u>	<u>109,691</u>	<u>101,610</u>	<u>2,813</u>	<u>21,738</u>	<u>3,553</u>	<u>255</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 112,763</u>	<u>\$ 100,696</u>	<u>\$ 2,796</u>	<u>\$ 21,508</u>	<u>\$ 3,092</u>	<u>\$ 258</u>
Net assets:							
Cash and investments	<u>\$ -</u>	<u>\$ 112,763</u>	<u>\$ 100,696</u>	<u>\$ 2,796</u>	<u>\$ 21,508</u>	<u>\$ 3,092</u>	<u>\$ 258</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 112,763</u>	<u>\$ 100,696</u>	<u>\$ 2,796</u>	<u>\$ 21,508</u>	<u>\$ 3,092</u>	<u>\$ 258</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Class of 59, 60, '61, & '63	DECA Scholarship	Freeland Award	Robert French Scholarship	Goodman Memorial Scholarship	Hamilton Scholarship
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -
Investment earnings:						
Interest	46	20	7	404	27	38
Total additions	<u>46</u>	<u>20</u>	<u>7</u>	<u>504</u>	<u>27</u>	<u>38</u>
Deductions:						
Administrative and general	100	2,991	22	600	75	-
Excess (deficiency) of total additions over total deductions	(54)	(2,971)	(15)	(96)	(48)	38
Cash and investment fund balance - beginning	<u>3,718</u>	<u>2,971</u>	<u>567</u>	<u>32,302</u>	<u>2,136</u>	<u>2,972</u>
Cash and investments - June 30	<u>\$ 3,664</u>	<u>\$ -</u>	<u>\$ 552</u>	<u>\$ 32,206</u>	<u>\$ 2,088</u>	<u>\$ 3,010</u>
Net assets:						
Cash and investments	\$ 3,664	\$ -	\$ 552	\$ 32,206	\$ 2,088	\$ 3,010
Total net assets - cash and investment basis held in trust	<u>\$ 3,664</u>	<u>\$ -</u>	<u>\$ 552</u>	<u>\$ 32,206</u>	<u>\$ 2,088</u>	<u>\$ 3,010</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Sara Kinker Memorial Scholarship	Lillian Knox Scholarship	Lowe's Scholarship	Mowrey Awards	Sefton Scholarship	Remy Scholarship
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Interest	151	136	333	42	30	329
Total additions	<u>151</u>	<u>136</u>	<u>333</u>	<u>42</u>	<u>30</u>	<u>329</u>
Deductions:						
Administrative and general	250	500	500	245	50	500
Excess (deficiency) of total additions over total deductions	(99)	(364)	(167)	(203)	(20)	(171)
Cash and investment fund balance - beginning	<u>12,143</u>	<u>11,166</u>	<u>26,672</u>	<u>3,310</u>	<u>2,353</u>	<u>26,369</u>
Cash and investments - June 30	<u>\$ 12,044</u>	<u>\$ 10,802</u>	<u>\$ 26,505</u>	<u>\$ 3,107</u>	<u>\$ 2,333</u>	<u>\$ 26,198</u>
Net assets:						
Cash and investments	<u>\$ 12,044</u>	<u>\$ 10,802</u>	<u>\$ 26,505</u>	<u>\$ 3,107</u>	<u>\$ 2,333</u>	<u>\$ 26,198</u>
Total net assets - cash and investment basis held in trust	<u>\$ 12,044</u>	<u>\$ 10,802</u>	<u>\$ 26,505</u>	<u>\$ 3,107</u>	<u>\$ 2,333</u>	<u>\$ 26,198</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Technology Scholarship Award	Donations, Gifts, Bequests	Library Donations Class of 2004	Linville Memorial Library	Science - Technology Scholarship	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ 30,690
Investment earnings:						
Interest	-	-	-	-	-	4,505
Total additions	-	750	-	-	-	35,195
Deductions:						
Administrative and general	-	749	-	-	-	37,911
Excess (deficiency) of total additions over total deductions	-	1	-	-	-	(2,716)
Cash and investment fund balance - beginning	500	1,698	222	119	3,000	371,878
Cash and investments - June 30	<u>\$ 500</u>	<u>\$ 1,699</u>	<u>\$ 222</u>	<u>\$ 119</u>	<u>\$ 3,000</u>	<u>\$ 369,162</u>
Net assets:						
Cash and investments	<u>\$ 500</u>	<u>\$ 1,699</u>	<u>\$ 222</u>	<u>\$ 119</u>	<u>\$ 3,000</u>	<u>\$ 369,162</u>
Total net assets - cash and investment basis held in trust	<u>\$ 500</u>	<u>\$ 1,699</u>	<u>\$ 222</u>	<u>\$ 119</u>	<u>\$ 3,000</u>	<u>\$ 369,162</u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	\$ <u>3,513,934</u>
Deductions:	
Agency fund deductions	<u>3,506,192</u>
Excess of total additions over total deductions	7,741
Cash and investment fund balance - beginning	<u>100,628</u>
Cash and investment fund balance - ending	<u><u>\$ 108,369</u></u>

GREENSBURG COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	<u>\$ 3,638,876</u>
Deductions:	
Agency fund deductions	<u>3,635,386</u>
Excess of total additions over total deductions	3,490
Cash and investment fund balance - beginning	<u>108,369</u>
Cash and investment fund balance - ending	<u><u>\$ 111,859</u></u>

GREENSBURG COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 322,980
Buildings	23,165,622
Improvements other than buildings	1,207,692
Machinery and equipment	<u>4,224,988</u>
Total governmental activities debt	<u>\$ 28,921,282</u>

GREENSBURG COMMUNITY SCHOOLS
 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:		
Elementary School	\$ 16,145,000	\$ 1,589,540
Junior High Renovations	4,985,000	688,796
Bonds payable:		
General obligation bonds:		
Pension bonds	<u>1,155,000</u>	<u>364,243</u>
Total governmental activities debt	<u>\$ 22,285,000</u>	<u>\$ 2,642,579</u>

GREENSBURG COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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

1. Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Monitoring of Controls: The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk. Controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

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

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEMPORARY LOANS

School Board approval for the following temporary loans made from the Levy Excess Fund to the following funds was not presented for audit:

<u>Fund</u>	<u>Date</u>	<u>Amount</u>
Capital Projects Fund	11-26-08	\$ 1,000,000
Rainy Day Fund	11-26-08	586,064

The above loans were subsequently repaid.

IC 36-1-8-4(a) states in part: "The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision . . ."

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 GREENSBURG COMMUNITY
SCHOOLS, DECATUR COUNTY, INDIANA

Compliance

We have audited the compliance of the Greensburg Community Schools (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 item 2010-2.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in item 2010-2 of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

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. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

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, 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 27, 2011

GREENSBURG COMMUNITY SCHOOLS
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	FY 08-09	\$ 126,254	\$ -
		FY 09-10	-	146,357
National School Lunch Program	10.555	FY 08-09	422,391	-
		FY 09-10	-	505,179
Total for cluster			<u>548,645</u>	<u>651,536</u>
Total for federal grantor agency			<u>548,645</u>	<u>651,536</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	09-1730 10-1730	320,319	-
			-	326,955
Total for program			<u>320,319</u>	<u>326,955</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-1730	-	91,420
Total for cluster			<u>320,319</u>	<u>418,375</u>
Special Education Cluster				
Special Education - Grants to States	84.027	14209-003-PN01 14210-003-PN01	297,770	45,757
			-	310,258
Total for program			<u>297,770</u>	<u>356,015</u>
Special Education - Preschool Grants	84.173	45709-003-PN01 45710-003-PN01	13,307	-
			-	14,103
Total for program			<u>13,307</u>	<u>14,103</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-003-SN01	-	320,422
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-003-SN01	-	2,303
Total for cluster			<u>311,077</u>	<u>692,843</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	09-1730	361,429	1,164,046
Educational Technology State Grants Cluster				
Safe and Drug-Free Schools and Communities - State Grants	84.186	1730-06 07-1730 09-1730	4,125	-
			1,399	6,052
			-	2,637
Total for program			<u>5,524</u>	<u>8,689</u>
State Grants for Innovative Programs	84.298	06-1730 08-1730	986	-
			2,379	2,713
Total for program			<u>3,365</u>	<u>2,713</u>
Education Technology State Grants Ed Tech Competitive Grant	84.318	S318X060014	2,564	2,630
Improving Teacher Quality State Grants	84.367	06-1730 07-1730 08-1730	10,360	-
			47,248	41,836
			3,300	68,014
Total for program			<u>60,908</u>	<u>109,850</u>
Total for federal grantor agency			<u>1,065,186</u>	<u>2,399,146</u>
Total federal awards expended			<u>\$ 1,613,831</u>	<u>\$ 3,050,682</u>

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

GREENSBURG COMMUNITY SCHOOLS
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 Greensburg Community Schools (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 school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2008-2009</u>	<u>2009-2010</u>
School Breakfast Program	10.553	\$ 11,760	\$ 12,302
National School Lunch Program	10.555	39,090	42,435

GREENSBURG COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	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?	yes

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:

Name of Federal Program or Cluster

Title I, Part A 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? yes

Section II – Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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

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

GREENSBURG COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk. Controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

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

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2, ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT – CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: ARRA - Title I Grants to Local Educational Agencies, Recovery Act
CFDA Number: 84.389
Pass-Through Entity: Indiana Department of Education
Award Number: 10-1730

Amounts received by the School Corporation for the ARRA - Title I Grants to Local Educational Agencies, Recovery Act were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for each of the twelve months during the school year 2009-2010. The cash balance of the grant at June 30, 2010, as reported on the fourth quarter report submitted to the Indiana Department of Education, was \$52,452, which was approximately 36% of the total grant awarded during the audit period. The estimated cash needs in the few months subsequent to the audit period did not substantiate the need for this amount of cash. Cash drawdown requests were revised each of the last 9 months to decrease the amount of cash on hand to acceptable levels. Distributions were not withheld by the State as requested.

EDGAR 80.20 (b)(7) states: "Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasurer and disbursements 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 the subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

GREENSBURG COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

GREENSBURG COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Greensburg Community Schools
1312 W. Westridge Parkway
Greensburg, IN 47240

GREENSBURG COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

2008-2010

Audit Contact Person	Cindy Navarra
Title of Contact Person	Director of Finance
Phone number	812-663-4774
Email	cnavarra@greensburg.k12.in.us

Finding 2010-1: Internal Controls over Financial Transactions and Reporting

Corrective action plan:

Greensburg Community Schools has hired a part-time person in the area of accounting to help in the segregation of duties. Monthly bank statements will be processed and reviewed either by two accounting staff members or one accounting staff member and the superintendent to reduce the risk of fraud factor.

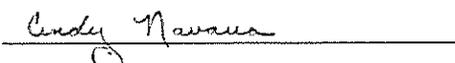
Finding 2010.2: Title I Recovery Act – Cash Management

Corrective action plan:

When the stimulus funding was first received by the State of Indiana, Indiana public Schools were instructed by the Indiana Department of Education to complete the cash request form with the amount being received divided by 12 months. Several months later we were instructed to begin applying for reimbursement each month. At that point funds based on the twelve month division had already been received leaving a larger balance than needed to support expenditures. Funds continued to be sent even when asking for \$0.00 reimbursement.

As of January 2011, the Title I stimulus fund is currently in a deficit awaiting reimbursement from the state. No corrective action will be needed as we will only ask for reimbursement of each month's expenditures in the future.

Submitted by  Tom Hunter (Superintendent)

 Cindy Navarra (Director of Finance)

GREENSBURG COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 27, 2011, with Lisa Tressler, President of the School Board; Thomas Hunter, Superintendent of Schools; and Cindy Navarra, Treasurer.