

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

HAMILTON SOUTHEASTERN SCHOOLS
HAMILTON COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

01/13/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michael A. Reuter	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Brian Smith	07-01-09 to 06-30-12
President of the Board of School Trustees	Diane Eaton Katrina Hockemeyer	07-01-09 to 06-30-10 07-01-10 to 06-30-12



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 THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE HAMILTON SOUTHEASTERN SCHOOLS, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statement of the Hamilton Southeastern Schools (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated November 22, 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 THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

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

STATE BOARD OF ACCOUNTS

November 22, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE HAMILTON SOUTHEASTERN SCHOOLS, HAMILTON COUNTY, INDIANA

We have audited the financial statement of the Hamilton Southeastern Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated November 22, 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

November 22, 2011

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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HAMILTON SOUTHEASTERN SCHOOLS
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 318,702	\$ 95,696,675	\$ 96,484,420	\$ 1,961,851	\$ 1,492,808	\$ 101,239,934	\$ 100,307,536	\$ 2,776,897	\$ 5,202,103	\$ 2,552,309
Referendum Tax Levy	-	5,711,344	3,235,851	-	2,475,493	8,423,813	8,346,997	-	-	-
Debt Service	2,426,830	55,572,210	53,669,886	(700,000)	3,629,154	40,593,589	40,896,000	(200,246)	3,126,497	-
Debt Service Reserve	-	1,173,392	1,173,392	-	-	-	-	-	-	-
Retirement/Severance Bond Debt Service	38,641	597,757	385,513	-	250,885	419,679	437,916	(1,743)	230,905	-
Capital Projects	3,409,679	22,179,347	13,957,366	-	11,631,660	17,066,552	14,085,847	(3,069,744)	11,542,621	-
School Transportation	1,149,583	16,317,632	12,450,888	-	5,016,327	13,137,172	11,984,369	397,326	6,566,456	-
School Bus Replacement	14,700	4,387,771	3,040,350	-	1,362,121	2,302,037	2,824,732	(11,706)	827,720	-
Special Education Preschool	306,842	313,750	608,741	(11,851)	-	-	-	-	-	-
Rainy Day	11,128,332	5,054,999	8,219,208	(1,250,000)	6,714,123	5,505,001	8,583,702	1,000,000	4,635,422	-
Retirement/Severance Bond	1,295,502	-	424,309	-	871,193	52,186	277,065	-	646,314	-
Post-Retirement/Severance Future Benefits	-	-	-	-	-	50,152	-	-	50,152	-
Construction	7,472	-	-	-	7,472	-	-	-	7,472	-
HSE High School Construction	-	-	-	-	-	-	148,913	1,975,050	1,826,137	-
School Lunch	829,867	7,701,380	6,958,675	-	1,572,572	8,022,186	7,281,178	(556,098)	1,757,482	-
Textbook Rental	59,614	1,301,508	1,153,463	-	207,659	1,520,393	523,492	3,852	1,208,412	-
Self-Insurance	-	106,687	90,623	-	16,064	1,114,259	905,863	-	224,460	-
Levy Excess	-	317,739	-	-	317,739	-	-	(317,739)	-	-
SAFE School Haven	-	14,221	14,221	-	-	16,499	16,499	-	-	-
Gifts and Donations	200,978	204,425	235,877	-	169,526	310,152	305,915	-	173,763	-
Gifted and Talented 2008-2009	46,068	-	46,068	-	-	-	-	-	-	-
Gifted and Talented 2009-2010	-	99,395	58,799	-	40,596	-	40,596	-	-	-
Gifted and Talented 2010-2011	-	-	-	-	-	97,906	53,261	-	44,645	-
Non-English Speaking Programs P.L. 273-1999	696	81,551	82,247	-	-	61,063	61,063	-	-	-
School Technology	57,939	55,737	113,486	-	190	158,743	-	-	158,933	-
Performance Based Awards	651	-	571	-	80	-	80	-	-	-
Coca-Cola Fund	26,888	135,661	123,359	-	39,190	139,110	47,446	-	130,854	-
Title I 2008-2009	65,784	-	58,487	(7,297)	-	-	-	-	-	-
Title I 2009-2010	-	350,863	302,636	7,297	55,524	-	43,519	(12,005)	-	-
Title I 2010-2011	-	-	-	-	-	298,478	280,263	12,005	30,220	-
Title V 2007-2008	8,920	-	8,920	-	-	-	-	-	-	-
Federal Grant Part B/IAS	-	496,728	496,728	-	-	589,649	589,649	-	-	-
Drug Free 2009-2010	-	-	-	-	-	20,047	20,047	-	-	-
Drug Free 2007-2008	6,508	-	6,508	-	-	-	-	-	-	-
Drug Free 2008-2009	-	25,982	17,390	-	8,592	-	8,592	-	-	-
Team Nutrition Training Grants	-	-	-	-	-	14,651	10,276	-	4,375	-
PLTW HSE Biology 2010-2011	-	-	-	-	-	9,415	9,415	-	-	-
PLTW FSH English 2010-2011	-	-	-	-	-	13,319	13,319	-	-	-
PLTW HSE English 2010-2011	-	-	-	-	-	9,800	9,800	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	21,176	158,794	176,753	-	3,217	162,349	163,570	-	1,996	-
Title III, Language Instruction	7,118	88,792	91,799	-	4,111	74,478	74,362	-	4,227	-
Workforce Development Biology Grant HSE 2007-2009	251	517	768	-	-	-	-	-	-	-
Workforce Development Biology Grant FSH 2008-2009	196	4,666	4,862	-	-	-	-	-	-	-
Workforce Development PLTW FSH	1	8,109	8,110	-	-	-	-	-	-	-
Workforce Development Biology Grant HSE 2009-2010	-	14,943	14,943	-	-	-	-	-	-	-
Fiscal Stabilization - Education	956,263	3,540,886	4,497,149	-	-	-	-	-	-	-
Special Education - Part B	-	809,036	738,094	-	70,942	719,710	738,240	-	52,412	-
Special Education - Part B - Preschool	-	76,092	54,218	-	21,874	36,922	56,454	-	2,342	-
Qualified School Construction Bond	-	-	-	-	-	-	1,069,572	1,194,000	124,428	-
Totals	\$ 22,385,201	\$ 222,598,589	\$ 209,004,678	\$ -	\$ 35,979,112	\$ 202,179,244	\$ 200,215,548	\$ 3,189,849	\$ 41,132,657	

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

HAMILTON SOUTHEASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

HAMILTON SOUTHEASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

HAMILTON SOUTHEASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

HAMILTON SOUTHEASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

HAMILTON SOUTHEASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Referendum Tax Levy	Debt Service	Debt Service Reserve	Retirement/ Serverance Bond Debt Service	Capital Projects
Cash and investments - beginning	\$ 318,702	\$ -	\$ 2,426,830	\$ -	\$ 38,641	\$ 3,409,679
Receipts:						
Local sources	1,948,172	3,311,344	55,572,210	-	547,757	21,179,347
Intermediate sources	4,300	-	-	-	-	-
State sources	89,711,382	-	-	-	-	-
Federal sources	32,821	-	-	-	-	-
Temporary loans	-	-	-	1,173,392	-	-
Interfund loans	4,000,000	2,400,000	-	-	50,000	1,000,000
Total receipts	<u>95,696,675</u>	<u>5,711,344</u>	<u>55,572,210</u>	<u>1,173,392</u>	<u>597,757</u>	<u>22,179,347</u>
Disbursements:						
Current:						
Instruction	70,450,469	-	-	-	-	-
Support services	24,047,736	3,235,851	-	1,173,392	-	8,229,244
Noninstructional services	550,203	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	5,728,122
Debt services	-	-	53,669,886	-	385,513	-
Nonprogrammed charges	1,436,012	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>96,484,420</u>	<u>3,235,851</u>	<u>53,669,886</u>	<u>1,173,392</u>	<u>385,513</u>	<u>13,957,366</u>
Excess (deficiency) of receipts over disbursements	<u>(787,745)</u>	<u>2,475,493</u>	<u>1,902,324</u>	<u>-</u>	<u>212,244</u>	<u>8,221,981</u>
Other financing sources (uses):						
Transfers in	1,961,851	-	-	-	-	-
Transfers out	-	-	(700,000)	-	-	-
Total other financing sources (uses)	<u>1,961,851</u>	<u>-</u>	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,174,106</u>	<u>2,475,493</u>	<u>1,202,324</u>	<u>-</u>	<u>212,244</u>	<u>8,221,981</u>
Cash and investments - ending	<u>\$ 1,492,808</u>	<u>\$ 2,475,493</u>	<u>\$ 3,629,154</u>	<u>\$ -</u>	<u>\$ 250,885</u>	<u>\$ 11,631,660</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 1,149,583	\$ 14,700	\$ 306,842	\$ 11,128,332	\$ 1,295,502	\$ -
Receipts:						
Local sources	13,817,632	3,387,771	25,000	4,999	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	288,750	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	2,500,000	1,000,000	-	5,050,000	-	-
Total receipts	<u>16,317,632</u>	<u>4,387,771</u>	<u>313,750</u>	<u>5,054,999</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	8,741	-	-	-
Support services	9,250,888	1,790,350	-	550,680	424,309	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,168,528	-	-
Debt services	3,200,000	1,250,000	600,000	5,500,000	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>12,450,888</u>	<u>3,040,350</u>	<u>608,741</u>	<u>8,219,208</u>	<u>424,309</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,866,744</u>	<u>1,347,421</u>	<u>(294,991)</u>	<u>(3,164,209)</u>	<u>(424,309)</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	700,000	-	-
Transfers out	-	-	(11,851)	(1,950,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,851)</u>	<u>(1,250,000)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,866,744</u>	<u>1,347,421</u>	<u>(306,842)</u>	<u>(4,414,209)</u>	<u>(424,309)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,016,327</u>	<u>\$ 1,362,121</u>	<u>\$ -</u>	<u>\$ 6,714,123</u>	<u>\$ 871,193</u>	<u>\$ -</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Construction	HSE High School Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess
Cash and investments - beginning	\$ 7,472	\$ -	\$ 829,867	\$ 59,614	\$ -	\$ -
Receipts:						
Local sources	-	-	6,326,309	1,140,213	106,687	317,739
Intermediate sources	-	-	-	-	-	-
State sources	-	-	124,034	161,295	-	-
Federal sources	-	-	1,251,037	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	7,701,380	1,301,508	106,687	317,739
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	55,408	1,153,463	-	-
Noninstructional services	-	-	6,903,267	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	90,623	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	6,958,675	1,153,463	90,623	-
Excess (deficiency) of receipts over disbursements	-	-	742,705	148,045	16,064	317,739
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	-	-	742,705	148,045	16,064	317,739
Cash and investments - ending	\$ 7,472	\$ -	\$ 1,572,572	\$ 207,659	\$ 16,064	\$ 317,739

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	SAFE School Haven	Gifts and Donations	Gifted and Talented 2008-2009	Gifted and Talented 2009-2010	Non-English Speaking Programs P.L. 273-1999	School Technology
Cash and investments - beginning	\$ -	\$ 200,978	\$ 46,068	\$ -	\$ 696	\$ 57,939
Receipts:						
Local sources	-	204,425	-	-	-	55,737
Intermediate sources	-	-	-	-	-	-
State sources	14,221	-	-	99,395	81,551	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>14,221</u>	<u>204,425</u>	<u>-</u>	<u>99,395</u>	<u>81,551</u>	<u>55,737</u>
Disbursements:						
Current:						
Instruction	-	26,488	38,011	32,718	82,247	-
Support services	14,221	114,449	8,057	16,202	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	94,940	-	9,879	-	113,486
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>14,221</u>	<u>235,877</u>	<u>46,068</u>	<u>58,799</u>	<u>82,247</u>	<u>113,486</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(31,452)</u>	<u>(46,068)</u>	<u>40,596</u>	<u>(696)</u>	<u>(57,749)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(31,452)</u>	<u>(46,068)</u>	<u>40,596</u>	<u>(696)</u>	<u>(57,749)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 169,526</u>	<u>\$ -</u>	<u>\$ 40,596</u>	<u>\$ -</u>	<u>\$ 190</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Performance Based Awards	Coca-Cola Fund	Title I 2008-2009	Title I 2009-2010	Title V 2007-2008	Federal Grant Part B/ IAS
Cash and investments - beginning	\$ 651	\$ 26,888	\$ 65,784	\$ -	\$ 8,920	\$ -
Receipts:						
Local sources	-	135,661	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	350,863	-	496,728
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>135,661</u>	<u>-</u>	<u>350,863</u>	<u>-</u>	<u>496,728</u>
Disbursements:						
Current:						
Instruction	571	13,601	51,504	288,961	8,920	496,728
Support services	-	109,758	6,833	10,002	-	-
Noninstructional services	-	-	150	3,673	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>571</u>	<u>123,359</u>	<u>58,487</u>	<u>302,636</u>	<u>8,920</u>	<u>496,728</u>
Excess (deficiency) of receipts over disbursements	<u>(571)</u>	<u>12,302</u>	<u>(58,487)</u>	<u>48,227</u>	<u>(8,920)</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	7,297	-	-
Transfers out	-	-	(7,297)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,297)</u>	<u>7,297</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(571)</u>	<u>12,302</u>	<u>(65,784)</u>	<u>55,524</u>	<u>(8,920)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 80</u>	<u>\$ 39,190</u>	<u>\$ -</u>	<u>\$ 55,524</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Drug Free 2007-2008	Drug Free 2008-2009	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Workforce Development Biology Grant HSE 2007-2009	Workforce Development Biology Grant FSH 2008-2009
Cash and investments - beginning	\$ 6,508	\$ -	\$ 21,176	\$ 7,118	\$ 251	\$ 196
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	25,982	158,794	88,792	517	4,666
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>25,982</u>	<u>158,794</u>	<u>88,792</u>	<u>517</u>	<u>4,666</u>
Disbursements:						
Current:						
Instruction	2,545	16,390	175,791	90,704	63	2,948
Support services	700	-	962	1,095	-	-
Noninstructional services	3,263	1,000	-	-	-	-
Facilities acquisition and construction	-	-	-	-	705	1,914
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>6,508</u>	<u>17,390</u>	<u>176,753</u>	<u>91,799</u>	<u>768</u>	<u>4,862</u>
Excess (deficiency) of receipts over disbursements	<u>(6,508)</u>	<u>8,592</u>	<u>(17,959)</u>	<u>(3,007)</u>	<u>(251)</u>	<u>(196)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,508)</u>	<u>8,592</u>	<u>(17,959)</u>	<u>(3,007)</u>	<u>(251)</u>	<u>(196)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 8,592</u>	<u>\$ 3,217</u>	<u>\$ 4,111</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Workforce Development PLTW FHS	Workforce Development Biology Grant HSE 2009-2010	Fiscal Stabilization - Education	Special Education - Part B	Special Education - Part B - Preschool	Totals
Cash and investments - beginning	\$ 1	\$ -	\$ 956,263	\$ -	\$ -	\$ 22,385,201
Receipts:						
Local sources	-	-	-	-	-	108,081,003
Intermediate sources	-	-	-	-	-	4,300
State sources	-	-	-	-	-	90,480,628
Federal sources	8,109	14,943	3,540,886	809,036	76,092	6,859,266
Temporary loans	-	-	-	-	-	1,173,392
Interfund loans	-	-	-	-	-	16,000,000
Total receipts	<u>8,109</u>	<u>14,943</u>	<u>3,540,886</u>	<u>809,036</u>	<u>76,092</u>	<u>222,598,589</u>
Disbursements:						
Current:						
Instruction	2,687	11,223	2,586,544	700,481	53,219	75,141,554
Support services	-	-	1,817,707	37,613	999	52,049,919
Noninstructional services	-	-	92,898	-	-	7,554,454
Facilities acquisition and construction	5,423	3,720	-	-	-	8,126,717
Debt services	-	-	-	-	-	64,605,399
Nonprogrammed charges	-	-	-	-	-	1,526,635
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>8,110</u>	<u>14,943</u>	<u>4,497,149</u>	<u>738,094</u>	<u>54,218</u>	<u>209,004,678</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>-</u>	<u>(956,263)</u>	<u>70,942</u>	<u>21,874</u>	<u>13,593,911</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	2,669,148
Transfers out	-	-	-	-	-	(2,669,148)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1)</u>	<u>-</u>	<u>(956,263)</u>	<u>70,942</u>	<u>21,874</u>	<u>13,593,911</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,942</u>	<u>\$ 21,874</u>	<u>\$ 35,979,112</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation
Cash and investments - beginning	\$ 1,492,808	\$ 2,475,493	\$ 3,629,154	\$ 250,885	\$ 11,631,660	\$ 5,016,327
Receipts:						
Local sources	1,571,731	6,223,813	35,106,047	394,679	15,066,552	10,937,172
Intermediate sources	19	-	-	-	-	-
State sources	94,635,518	-	-	-	-	-
Federal sources	32,666	-	37,542	-	-	-
Interfund loans	5,000,000	2,200,000	5,450,000	25,000	2,000,000	2,200,000
Total receipts	<u>101,239,934</u>	<u>8,423,813</u>	<u>40,593,589</u>	<u>419,679</u>	<u>17,066,552</u>	<u>13,137,172</u>
Disbursements:						
Current:						
Instruction	73,087,273	-	-	-	-	-
Support services	21,537,491	5,946,997	-	-	7,849,575	9,484,369
Noninstructional services	711,363	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	5,236,272	-
Debt services	-	-	35,971,000	387,916	-	-
Nonprogrammed charges	971,409	-	-	-	-	-
Interfund loans	4,000,000	2,400,000	4,925,000	50,000	1,000,000	2,500,000
Total disbursements	<u>100,307,536</u>	<u>8,346,997</u>	<u>40,896,000</u>	<u>437,916</u>	<u>14,085,847</u>	<u>11,984,369</u>
Excess (deficiency) of receipts over disbursements	<u>932,398</u>	<u>76,816</u>	<u>(302,411)</u>	<u>(18,237)</u>	<u>2,980,705</u>	<u>1,152,803</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	20,799	-	-	-	-	-
Transfers in	2,756,098	-	-	-	-	638,458
Transfers out	-	-	(200,246)	(1,743)	(3,069,744)	(241,132)
Total other financing sources (uses)	<u>2,776,897</u>	<u>-</u>	<u>(200,246)</u>	<u>(1,743)</u>	<u>(3,069,744)</u>	<u>397,326</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,709,295</u>	<u>76,816</u>	<u>(502,657)</u>	<u>(19,980)</u>	<u>(89,039)</u>	<u>1,550,129</u>
Cash and investments - ending	<u>\$ 5,202,103</u>	<u>\$ 2,552,309</u>	<u>\$ 3,126,497</u>	<u>\$ 230,905</u>	<u>\$ 11,542,621</u>	<u>\$ 6,566,456</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction	HSE High School Construction
Cash and investments - beginning	\$ 1,362,121	\$ 6,714,123	\$ 871,193	\$ -	\$ 7,472	\$ -
Receipts:						
Local sources	1,602,037	5,001	52,186	50,152	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	700,000	5,500,000	-	-	-	-
Total receipts	<u>2,302,037</u>	<u>5,505,001</u>	<u>52,186</u>	<u>50,152</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	1,824,732	211,478	277,065	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	828,162	-	-	-	148,913
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	344,062	-	-	-	-
Interfund loans	1,000,000	7,200,000	-	-	-	-
Total disbursements	<u>2,824,732</u>	<u>8,583,702</u>	<u>277,065</u>	<u>-</u>	<u>-</u>	<u>148,913</u>
Excess (deficiency) of receipts over disbursements	<u>(522,695)</u>	<u>(3,078,701)</u>	<u>(224,879)</u>	<u>50,152</u>	<u>-</u>	<u>(148,913)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	1,975,050
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	3,200,000	-	-	-	-
Transfers out	(11,706)	(2,200,000)	-	-	-	-
Total other financing sources (uses)	<u>(11,706)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,975,050</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(534,401)</u>	<u>(2,078,701)</u>	<u>(224,879)</u>	<u>50,152</u>	<u>-</u>	<u>1,826,137</u>
Cash and investments - ending	<u>\$ 827,720</u>	<u>\$ 4,635,422</u>	<u>\$ 646,314</u>	<u>\$ 50,152</u>	<u>\$ 7,472</u>	<u>\$ 1,826,137</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	SAFE School Haven	Gifts and Donations
Cash and investments - beginning	\$ 1,572,572	\$ 207,659	\$ 16,064	\$ 317,739	\$ -	\$ 169,526
Receipts:						
Local sources	6,478,282	1,340,539	1,114,259	-	-	310,152
Intermediate sources	-	-	-	-	-	-
State sources	129,300	179,854	-	-	16,499	-
Federal sources	1,414,604	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>8,022,186</u>	<u>1,520,393</u>	<u>1,114,259</u>	<u>-</u>	<u>16,499</u>	<u>310,152</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	30,313
Support services	125,779	523,492	-	-	16,499	190,955
Noninstructional services	7,041,494	-	-	-	-	5,678
Facilities acquisition and construction	113,905	-	-	-	-	78,969
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	905,863	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>7,281,178</u>	<u>523,492</u>	<u>905,863</u>	<u>-</u>	<u>16,499</u>	<u>305,915</u>
Excess (deficiency) of receipts over disbursements	<u>741,008</u>	<u>996,901</u>	<u>208,396</u>	<u>-</u>	<u>-</u>	<u>4,237</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	3,852	-	320,719	-	-
Transfers out	(556,098)	-	-	(638,458)	-	-
Total other financing sources (uses)	<u>(556,098)</u>	<u>3,852</u>	<u>-</u>	<u>(317,739)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>184,910</u>	<u>1,000,753</u>	<u>208,396</u>	<u>(317,739)</u>	<u>-</u>	<u>4,237</u>
Cash and investments - ending	<u>\$ 1,757,482</u>	<u>\$ 1,208,412</u>	<u>\$ 224,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,763</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Gifted and Talented 2009-2010	Gifted and Talented 2010-2011	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Coca-Cola Fund
Cash and investments - beginning	\$ 40,596	\$ -	\$ -	\$ 190	\$ 80	\$ 39,190
Receipts:						
Local sources	-	-	-	158,743	-	139,110
Intermediate sources	-	-	-	-	-	-
State sources	-	97,906	61,063	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>97,906</u>	<u>61,063</u>	<u>158,743</u>	<u>-</u>	<u>139,110</u>
Disbursements:						
Current:						
Instruction	37,970	28,777	61,063	-	80	19,996
Support services	2,626	23,371	-	-	-	27,450
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	1,113	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>40,596</u>	<u>53,261</u>	<u>61,063</u>	<u>-</u>	<u>80</u>	<u>47,446</u>
Excess (deficiency) of receipts over disbursements	<u>(40,596)</u>	<u>44,645</u>	<u>-</u>	<u>158,743</u>	<u>(80)</u>	<u>91,664</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(40,596)</u>	<u>44,645</u>	<u>-</u>	<u>158,743</u>	<u>(80)</u>	<u>91,664</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 44,645</u>	<u>\$ -</u>	<u>\$ 158,933</u>	<u>\$ -</u>	<u>\$ 130,854</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I 2009-2010	Title I 2010-2011	Federal Grant Part B/ IAS	Drug Free 2009-2010	Drug Free 2008-2009
Cash and investments - beginning	\$ 55,524	\$ -	\$ -	\$ -	\$ 8,592
Receipts:					
Local sources	-	-	-	-	-
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	298,478	589,649	20,047	-
Interfund loans	-	-	-	-	-
Total receipts	<u>-</u>	<u>298,478</u>	<u>589,649</u>	<u>20,047</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	41,147	280,263	589,649	19,378	5,749
Support services	2,372	-	-	-	-
Noninstructional services	-	-	-	669	2,843
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Interfund loans	-	-	-	-	-
Total disbursements	<u>43,519</u>	<u>280,263</u>	<u>589,649</u>	<u>20,047</u>	<u>8,592</u>
Excess (deficiency) of receipts over disbursements	<u>(43,519)</u>	<u>18,215</u>	<u>-</u>	<u>-</u>	<u>(8,592)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	12,005	-	-	-
Transfers out	<u>(12,005)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(12,005)</u>	<u>12,005</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(55,524)</u>	<u>30,220</u>	<u>-</u>	<u>-</u>	<u>(8,592)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 30,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Team Nutrition Training Grants	PLTW HSE Biology 2010-2011	PLTW FSH English 2010-2011	PLTW HSE English 2010-2011	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 3,217
Receipts:					
Local sources	-	-	-	-	-
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	14,651	9,415	13,319	9,800	162,349
Interfund loans	-	-	-	-	-
Total receipts	<u>14,651</u>	<u>9,415</u>	<u>13,319</u>	<u>9,800</u>	<u>162,349</u>
Disbursements:					
Current:					
Instruction	-	4,757	527	-	141,223
Support services	3,397	4,658	2,655	-	22,347
Noninstructional services	6,879	-	-	-	-
Facilities acquisition and construction	-	-	10,137	9,800	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Interfund loans	-	-	-	-	-
Total disbursements	<u>10,276</u>	<u>9,415</u>	<u>13,319</u>	<u>9,800</u>	<u>163,570</u>
Excess (deficiency) of receipts over disbursements	<u>4,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,221)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,221)</u>
Cash and investments - ending	<u>\$ 4,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,996</u>

HAMILTON SOUTHEASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title III, Language Instruction	Special Education - Part B	Special Education - Part B - Preschool	Qualified School Construction Bond	Totals
Cash and investments - beginning	\$ 4,111	\$ 70,942	\$ 21,874	\$ -	\$ 35,979,112
Receipts:					
Local sources	-	-	-	-	80,550,455
Intermediate sources	-	-	-	-	19
State sources	-	-	-	-	95,120,140
Federal sources	74,478	719,710	36,922	-	3,433,630
Interfund loans	-	-	-	-	23,075,000
Total receipts	<u>74,478</u>	<u>719,710</u>	<u>36,922</u>	<u>-</u>	<u>202,179,244</u>
Disbursements:					
Current:					
Instruction	74,187	710,525	56,454	-	75,189,331
Support services	175	27,715	-	134,376	48,239,574
Noninstructional services	-	-	-	-	7,768,926
Facilities acquisition and construction	-	-	-	935,196	7,362,467
Debt services	-	-	-	-	36,358,916
Nonprogrammed charges	-	-	-	-	2,221,334
Interfund loans	-	-	-	-	23,075,000
Total disbursements	<u>74,362</u>	<u>738,240</u>	<u>56,454</u>	<u>1,069,572</u>	<u>200,215,548</u>
Excess (deficiency) of receipts over disbursements	<u>116</u>	<u>(18,530)</u>	<u>(19,532)</u>	<u>(1,069,572)</u>	<u>1,963,696</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	1,194,000	3,169,050
Sale of capital assets	-	-	-	-	20,799
Transfers in	-	-	-	-	6,931,132
Transfers out	-	-	-	-	(6,931,132)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,194,000</u>	<u>3,189,849</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>116</u>	<u>(18,530)</u>	<u>(19,532)</u>	<u>124,428</u>	<u>5,153,545</u>
Cash and investments - ending	<u>\$ 4,227</u>	<u>\$ 52,412</u>	<u>\$ 2,342</u>	<u>\$ 124,428</u>	<u>\$ 41,132,657</u>

HAMILTON SOUTHEASTERN SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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	\$ 17,984,484
Buildings	461,348,286
Machinery and equipment	<u>35,097,615</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 514,430,385</u>

HAMILTON SOUTHEASTERN SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Hamilton Southeastern Consolidated School Building Corporation:		
First Mortgage Bonds, Series 2009	\$ 14,065,000	\$ 1,200,000
First Mortgage Refunding Bonds, Series 2008	14,915,000	3,385,000
First Mortgage Bonds, Series 2007B	25,150,000	2,150,000
First Mortgage Bonds, Series 2007	17,615,000	1,536,000
First Mortgage Refunding Bonds, Series 2007	47,285,000	2,981,000
First Mortgage Bonds, Series 2006	5,945,000	533,000
First Mortgage Refunding Bonds, Series 2005A	56,790,000	7,570,000
First Mortgage Refunding Bonds, Series 2005B	8,280,000	1,110,000
First Mortgage Bonds, Series 2004	49,150,000	6,398,000
First Mortgage Bonds, Series 2004B	4,095,000	1,480,000
First Mortgage Refunding Bonds, Series 2000	2,221,661	2,338,000
Hamilton Southeastern Cumberland Campus School Building Corporation:		
First Mortgage Bonds, Series 2004A	14,170,000	1,460,000
First Mortgage Bonds, Series 2003	3,315,000	362,000
First Mortgage Refunding Bonds, Series 2002	5,065,000	1,888,000
Hamilton Southeastern North Delaware School Building Corporation:		
First Mortgage Bonds, Series 2003	11,085,000	1,194,000
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2003: (Indiana Bond Bank Series 4)	3,650,000	389,633
GO Bonds of 2010	1,995,000	48,566
Qualified School Construction Bonds	1,200,000	37,541
Total governmental activities debt	<u>\$ 285,991,661</u>	<u>\$ 36,060,740</u>

HAMILTON SOUTHEASTERN SCHOOLS
AUDIT RESULT AND COMMENT

EDUCATIONAL FEES

Textbook rental, consumable goods and materials fees are collected by each of the building Extra-Curricular Treasurers, and receipted into the respective extra-curricular accounts. The textbook portion is then remitted to the School Corporation Treasurer, receipted into the Textbook Rental Fund (fund 900) and used to purchase the textbooks. The amounts collected for consumable goods and materials fees remain in the records of the extra-curricular accounts.

Indiana Code 20-26-4-1 concerning duties of the School Corporation Treasurer, provides in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for all the funds." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

IC 20-41-2-5 states in part (a): "A governing body in operating a textbook rental program under IC 20-26-5-4(12) may use either of the following accounting methods: (1) The governing body may supervise and control the program through the school corporation account, establishing a textbook rental fund. (2) If textbooks have not been purchased and financial commitments or guarantees for such purchases have not been made by the school corporation, the governing body may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-41-1." Therefore, we are of the audit position if any school corporation funds have been used to purchase the textbooks or financial commitments or guarantees have been made by the school corporation, the textbook rental program must be operated through the textbook rental fund of the school corporation in the corporation records. (The School Administrator, Volume 159)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE HAMILTON SOUTHEASTERN SCHOOLS, HAMILTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Hamilton Southeastern 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, 2010 and 2011. 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, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

STATE BOARD OF ACCOUNTS

November 22, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

HAMILTON SOUTHEASTERN SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553	3005	\$ 27,532	\$ 72,279
National School Lunch Program	10.555	3005	<u>1,462,449</u>	<u>1,692,888</u>
Total for cluster			<u>1,489,981</u>	<u>1,765,167</u>
Pass-Through Indiana Department of Education Team Nutrition Grants	10.574	3005	-	10,275
Total for federal grantor agency			<u>1,489,981</u>	<u>1,775,442</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			
08/09		09-3005	58,487	-
09/10		10-3005	302,635	43,520
10/11		11-3005	-	<u>280,263</u>
Total for cluster			<u>361,122</u>	<u>323,783</u>
Pass-Through Hamilton-Boone - Madison Special Services Cooperative Special Education Cluster				
Special Education - Grants to States	84.027	14211-025-DN01	<u>496,728</u>	<u>589,649</u>
Special Education - Preschool Grants	84.173	EC Summer	<u>32,821</u>	<u>32,666</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-025-SN01	<u>738,094</u>	<u>738,240</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-025-SN01	<u>54,218</u>	<u>56,454</u>
Total for cluster			<u>1,321,861</u>	<u>1,417,009</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Cluster				
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	FY 09/10	<u>4,497,151</u>	-
Pass-Through Indiana Department of Workforce Development Career and Technical Education - Basic Grants to States	84.048			
		BIO-7-271	768	-
		BIO-8-271	4,862	-
		TP-9-271	8,110	-
		BIO-9-271	14,943	-
		BIO-10-271	-	9,415
		TP-10-271	-	<u>23,119</u>
Total for program			<u>28,683</u>	<u>32,534</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		3005-07	6,508	-
		3005-08	17,389	8,592
		3005-09	-	<u>20,046</u>
Total for program			<u>23,897</u>	<u>28,638</u>
State Grants for Innovative Programs	84.298	FY 07/08	<u>8,920</u>	-
English Language Acquisition Grants	84.365	FY 09/10	<u>91,798</u>	<u>74,363</u>
Improving Teacher Quality State Grants	84.367	09-3005	<u>176,754</u>	<u>163,571</u>
Total for federal grantor agency			<u>6,510,186</u>	<u>2,039,898</u>
Total federal awards expended			<u>\$ 8,000,167</u>	<u>\$ 3,815,340</u>

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

HAMILTON SOUTHEASTERN SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Hamilton Southeastern Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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 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.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
School Breakfast Program	10.553	\$ 4,415	\$ 14,355
National School Lunch Program	10.555	234,529	336,208

HAMILTON SOUTHEASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

Title I, Part A Cluster
Special Education Cluster
State Fiscal Stabilization Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$354,430

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HAMILTON SOUTHEASTERN SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

HAMILTON SOUTHEASTERN SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2011, with Dr. Brian Smith, Superintendent of Schools; Katrina Hockemeyer, President of the Board of School Trustees; Michael A. Reuter, Treasurer; and Cecilie Nunn, Deputy Treasurer. The Official Response has been made a part of this report and may be found on page 43.



Administration Office • 13485 Cumberland Road • Fishers, IN 46038

Ph: 317.594.4100 • FAX: 317.594.4109 • Web site: www.hse.k12.in.us

November 30, 2011

State Board of Accounts
302 W. Washington St., Room E-418
Indianapolis, IN 46204-2765

Please consider this as Hamilton Southeastern Schools' official response to the most recent audit exception. We request that this be included with our final audit report.

The consumable and material fees collected by Extra-Curricular Treasurers through the book rental process remain at the building level in extra-curricular accounts. It is the position of Hamilton Southeastern Schools that there is more internal control by retaining these fees in separate extra-curricular accounts rather than transferring these dollars to the Corporation General Fund. If transferred to the General Fund, these dollars would be co-mingled with other sources of revenue and consumable and material expenses would be co-mingled with other expenditures.

We believe our system and procedures provide for more transparency and accountability for our taxpayers. By retaining these dollars in separate extra-curricular accounts at the school level, the district can provide a more detailed accounting if required.

Michael Reuter

Chief Financial Officer