

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

EDINBURGH COMMUNITY SCHOOL CORPORATION  
JOHNSON COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

03/07/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager	Tamara J. Lewis	07-01-09 to 06-30-12
Superintendent of Schools	Rich Arkanoff Kevin Rockey (Interim) Denise Bessler	07-01-09 to 06-30-11 07-01-11 to 08-08-11 08-09-11 to 06-30-14
President of the School Board	Cathy Hamm	07-01-09 to 06-30-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE EDINBURGH COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the accompanying financial statement of the Edinburgh Community School Corporation (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 February 9, 2012, 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 and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule of Receipts, Disbursements, Other Financial Sources (Uses), and Cash and Investment Balances – Regulatory Basis 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.

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

February 9, 2012



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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 EDINBURGH COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the financial statement of the Edinburgh Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 9, 2012. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be a material weakness.

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

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

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

February 9, 2012

## 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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EDINBURGH COMMUNITY SCHOOL CORPORATION  
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	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 74,657	\$ 6,638,193	\$ 5,984,561	\$ 9,685	\$ 737,974	\$ 6,652,644	\$ 6,350,187	\$ 125,911	\$ 1,166,342
Debt Service	47,796	870,360	639,727	(344)	278,085	676,561	686,504	8,981	277,123
Retirement/Severance Bond Debt Service	429	371,257	293,923	-	77,763	208,154	207,869	-	78,048
Capital Projects	52,858	962,690	605,527	-	410,021	643,053	661,188	7,596	399,482
School Transportation	11,422	292,581	265,287	-	38,716	177,915	148,321	10,444	78,754
School Bus Replacement	89,198	483,035	122,468	-	449,765	204,032	221,186	(43,369)	389,242
Special Education Preschool	9,150	6,875	14,229	(1,796)	-	-	-	-	-
Rainy Day	-	-	-	-	-	-	-	26,913	26,913
Retirement/Severance Bond	202,325	153	42,830	-	159,648	-	19,132	-	140,516
School Lunch	60,830	459,761	402,572	-	118,019	445,793	439,703	-	124,109
Textbook Rental	34,094	84,588	81,837	(24,650)	12,195	117,406	23,613	(28,659)	77,329
Levy Excess	-	-	-	-	-	8,527	-	(8,527)	-
ERC Simon Youth Grant	-	1,960	1,960	-	-	-	-	-	-
Educational License Plates	38	300	-	-	338	413	426	-	325
Alternative Education	-	4,220	4,220	-	-	3,786	3,786	-	-
Early Intervention Grant	-	1,241	1,241	-	-	-	-	-	-
ES Bo-Witt Schools Discretion	3,055	-	3,055	-	-	350	350	-	-
ES Cape Grant	10,478	-	8,869	-	1,609	-	50	-	1,559
ES Clothe A Child Donations	33,799	4,250	4,394	-	33,655	2,550	4,354	-	31,851
MS Donations, Gifts & Trusts	-	200	-	-	200	425	625	-	-
MS Donations Gillespie LD	-	-	-	-	-	2,483	2,483	-	-
HS ERC Simon Youth Foundation	-	1,988	1,988	-	-	-	-	-	-
HS Donations United Way Design	-	500	500	-	-	30	30	-	-
High Ability Grant	-	-	-	-	-	28,426	28,426	-	-
Gifted/Talented Grant	-	28,860	28,293	-	567	-	567	-	-
Non-English Speaking Programs P.L. 273-1999	1,934	4,293	6,227	-	-	-	-	-	-
School Technology	-	-	-	-	-	40,132	6,360	-	33,772
Excess PTRC Distributions	-	-	-	20,674	20,674	-	-	(20,674)	-
Title I 2010-2011	-	-	-	-	-	204,943	227,269	22,326	-
Title I 2008-2009	49,410	-	37,091	(12,319)	-	-	-	-	-
Title I 2009-2010	-	259,277	244,576	12,319	27,020	24,796	29,490	(22,326)	-
Drug Free 2007-2008	1,648	-	1,648	-	-	-	-	-	-
Drug Free Title IV	4,165	-	765	-	3,400	-	3,400	-	-
Drug Free Title IV 2009	-	3,206	-	-	3,206	1,790	4,996	-	-
Medicaid Reimbursement - Federal	6,495	22,722	6,580	(2,338)	20,299	20,361	190	(9,956)	30,514
HIP Purdue University	2,417	12,155	11,455	-	3,117	-	754	-	2,363
Improving Teaching Quality, No Child Left, Title II, Part A	7,177	6,201	13,378	-	-	-	-	-	-
Title IIA 2009-2010	-	54,030	44,678	-	9,352	2,400	11,752	-	-
Title II Ends 9/12	-	-	-	-	-	39,443	39,443	-	-
Fiscal Stabilization - Education	497,213	180,267	677,480	-	-	-	-	-	-
Title I - Grants to LEAs	-	83,088	65,933	-	17,155	29,519	46,674	-	-
Special Education - Part B	9,500	25,499	34,718	-	281	43,362	43,643	-	-
Education Technology	-	124,550	121,279	-	3,271	35,001	38,272	-	-
School Lunch Equipment	-	14,501	14,501	-	-	-	-	-	-
Qualified School Construction Bond	-	897,433	76,952	-	820,481	511	820,992	-	-
Prepaid Food	4,533	619	26	-	5,126	5,802	87	-	10,841
Payroll Withholdings	3,906	1,511,507	1,510,557	-	4,856	1,398,490	1,392,175	-	11,171
<b>Totals</b>	<b>\$ 1,218,527</b>	<b>\$ 13,412,360</b>	<b>\$ 11,375,325</b>	<b>\$ 1,231</b>	<b>\$ 3,256,793</b>	<b>\$ 11,019,098</b>	<b>\$ 11,464,297</b>	<b>\$ 68,660</b>	<b>\$ 2,880,254</b>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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.

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:

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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

*Funding Policy and Annual Pension Cost*

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

## 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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 74,657	\$ 47,796	\$ 429	\$ 52,858	\$ 11,422	\$ 89,198	\$ 9,150	\$ -
Receipts:								
Local sources	213,956	870,360	371,257	899,279	216,390	266,074	-	-
Intermediate sources	18	-	-	-	-	-	-	-
State sources	6,410,576	-	-	63,411	-	-	6,875	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	75,000	216,961	-	-
Other	13,643	-	-	-	1,191	-	-	-
Total receipts	<u>6,638,193</u>	<u>870,360</u>	<u>371,257</u>	<u>962,690</u>	<u>292,581</u>	<u>483,035</u>	<u>6,875</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	3,912,542	-	-	-	-	-	-	-
Support services	1,842,923	-	-	435,923	140,287	47,468	-	-
Noninstructional services	11,422	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	169,604	-	-	-	-
Debt services	5,790	639,727	201,962	-	-	-	-	-
Nonprogrammed charges	211,884	-	-	-	-	-	14,229	-
Interfund loans	-	-	91,961	-	125,000	75,000	-	-
Total disbursements	<u>5,984,561</u>	<u>639,727</u>	<u>293,923</u>	<u>605,527</u>	<u>265,287</u>	<u>122,468</u>	<u>14,229</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>653,632</u>	<u>230,633</u>	<u>77,334</u>	<u>357,163</u>	<u>27,294</u>	<u>360,567</u>	<u>(7,354)</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	1,231	-	-	-	-	-	-	-
Transfers in	29,128	-	-	-	-	-	-	-
Transfers out	(20,674)	(344)	-	-	-	-	(1,796)	-
Total other financing sources (uses)	<u>9,685</u>	<u>(344)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,796)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>663,317</u>	<u>230,289</u>	<u>77,334</u>	<u>357,163</u>	<u>27,294</u>	<u>360,567</u>	<u>(9,150)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 737,974</u>	<u>\$ 278,085</u>	<u>\$ 77,763</u>	<u>\$ 410,021</u>	<u>\$ 38,716</u>	<u>\$ 449,765</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Retirement/ Severance Bond	School Lunch	Textbook Rental	Levy Excess	ERC Simon Youth Grant	Educational License Plates	Alternative Education	Early Intervention Grant
Cash and investments - beginning	\$ 202,325	\$ 60,830	\$ 34,094	\$ -	\$ -	\$ 38	\$ -	\$ -
Receipts:								
Local sources	153	170,380	60,118	-	1,960	-	-	-
Intermediate sources	-	-	-	-	-	300	-	-
State sources	-	3,832	24,270	-	-	-	4,220	1,241
Federal sources	-	285,249	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	300	200	-	-	-	-	-
Total receipts	<u>153</u>	<u>459,761</u>	<u>84,588</u>	<u>-</u>	<u>1,960</u>	<u>300</u>	<u>4,220</u>	<u>1,241</u>
Disbursements:								
Current:								
Instruction	40,708	-	-	-	1,960	-	4,220	1,241
Support services	1,689	353	81,837	-	-	-	-	-
Noninstructional services	-	402,219	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	433	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>42,830</u>	<u>402,572</u>	<u>81,837</u>	<u>-</u>	<u>1,960</u>	<u>-</u>	<u>4,220</u>	<u>1,241</u>
Excess (deficiency) of receipts over disbursements	<u>(42,677)</u>	<u>57,189</u>	<u>2,751</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	344	-	-	-	-	-
Transfers out	-	-	(24,994)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(24,650)</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>(42,677)</u>	<u>57,189</u>	<u>(21,899)</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 159,648</u>	<u>\$ 118,019</u>	<u>\$ 12,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	ES Bo-Witt Schools Discretion	ES Cape Grant	ES Clothe A Child Donations	MS Donations, Gifts & Trusts	MS Donations Gillespie LD	HS ERC Simon Youth Foundation	HS Donations United Way Design	High Ability Grant
Cash and investments - beginning	\$ 3,055	\$ 10,478	\$ 33,799	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	4,250	200	-	1,988	500	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>4,250</u>	<u>200</u>	<u>-</u>	<u>1,988</u>	<u>500</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	2,115	8,428	-	-	-	-	500	-
Support services	940	441	-	-	-	1,988	-	-
Noninstructional services	-	-	4,394	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>3,055</u>	<u>8,869</u>	<u>4,394</u>	<u>-</u>	<u>-</u>	<u>1,988</u>	<u>500</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,055)</u>	<u>(8,869)</u>	<u>(144)</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
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>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,055)</u>	<u>(8,869)</u>	<u>(144)</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,609</u>	<u>\$ 33,655</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Gifted/ Talented Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Excess PTRC Distributions	Title I 2010-2011	Title I 2008-2009	Title I 2009-2010	Drug Free 2007-2008
Cash and investments - beginning	\$ -	\$ 1,934	\$ -	\$ -	\$ -	\$ 49,410	\$ -	\$ 1,648
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	28,860	4,293	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	259,277	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	28,860	4,293	-	-	-	-	259,277	-
Disbursements:								
Current:								
Instruction	28,293	6,227	-	-	-	37,091	221,508	-
Support services	-	-	-	-	-	-	18,682	1,648
Noninstructional services	-	-	-	-	-	-	4,386	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	28,293	6,227	-	-	-	37,091	244,576	1,648
Excess (deficiency) of receipts over disbursements	567	(1,934)	-	-	-	(37,091)	14,701	(1,648)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	20,674	-	-	12,319	-
Transfers out	-	-	-	-	-	(12,319)	-	-
Total other financing sources (uses)	-	-	-	20,674	-	(12,319)	12,319	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	567	(1,934)	-	20,674	-	(49,410)	27,020	(1,648)
Cash and investments - ending	\$ 567	\$ -	\$ -	\$ 20,674	\$ -	\$ -	\$ 27,020	\$ -

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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 Title IV	Drug Free Title IV 2009	Medicaid Reimbursement Federal	HIP Purdue University	Improving Teaching Quality, No Child Left, Title II, Part A	Title IIA 2009-2010	Title II Ends 9/12	Fiscal Stabilization - Education
Cash and investments - beginning	\$ 4,165	\$ -	\$ 6,495	\$ 2,417	\$ 7,177	\$ -	\$ -	\$ 497,213
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	3,206	22,722	12,155	6,201	54,030	-	180,267
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	3,206	22,722	12,155	6,201	54,030	-	180,267
Disbursements:								
Current:								
Instruction	445	-	6,580	9,149	11,656	41,006	-	574,950
Support services	320	-	-	2,306	1,722	3,672	-	102,530
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	765	-	6,580	11,455	13,378	44,678	-	677,480
Excess (deficiency) of receipts over disbursements	(765)	3,206	16,142	700	(7,177)	9,352	-	(497,213)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(2,338)	-	-	-	-	-
Total other financing sources (uses)	-	-	(2,338)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(765)	3,206	13,804	700	(7,177)	9,352	-	(497,213)
Cash and investments - ending	\$ 3,400	\$ 3,206	\$ 20,299	\$ 3,117	\$ -	\$ 9,352	\$ -	\$ -

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Title I - Grants to LEAs	Special Education - Part B	Education Technology	School Lunch Equipment	Qualified School Construction Bond	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 9,500	\$ -	\$ -	\$ -	\$ 4,533	\$ 3,906	\$ 1,218,527
Receipts:								
Local sources	-	-	-	-	33	619	-	3,077,517
Intermediate sources	-	-	-	-	-	-	-	318
State sources	-	-	-	-	-	-	-	6,547,578
Federal sources	83,088	25,499	124,550	14,501	897,400	-	-	1,968,145
Interfund loans	-	-	-	-	-	-	-	291,961
Other	-	-	-	-	-	-	1,511,507	1,526,841
Total receipts	<u>83,088</u>	<u>25,499</u>	<u>124,550</u>	<u>14,501</u>	<u>897,433</u>	<u>619</u>	<u>1,511,507</u>	<u>13,412,360</u>
Disbursements:								
Current:								
Instruction	41,181	34,718	78,888	-	-	-	-	5,063,406
Support services	24,752	-	11,953	-	-	-	-	2,721,434
Noninstructional services	-	-	-	14,501	-	26	-	436,948
Facilities acquisition and construction	-	-	-	-	76,952	-	-	246,556
Debt services	-	-	-	-	-	-	-	847,479
Nonprogrammed charges	-	-	30,438	-	-	-	1,510,557	1,767,541
Interfund loans	-	-	-	-	-	-	-	291,961
Total disbursements	<u>65,933</u>	<u>34,718</u>	<u>121,279</u>	<u>14,501</u>	<u>76,952</u>	<u>26</u>	<u>1,510,557</u>	<u>11,375,325</u>
Excess (deficiency) of receipts over disbursements	<u>17,155</u>	<u>(9,219)</u>	<u>3,271</u>	<u>-</u>	<u>820,481</u>	<u>593</u>	<u>950</u>	<u>2,037,035</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	1,231
Transfers in	-	-	-	-	-	-	-	62,465
Transfers out	-	-	-	-	-	-	-	(62,465)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,231</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>17,155</u>	<u>(9,219)</u>	<u>3,271</u>	<u>-</u>	<u>820,481</u>	<u>593</u>	<u>950</u>	<u>2,038,266</u>
Cash and investments - ending	<u>\$ 17,155</u>	<u>\$ 281</u>	<u>\$ 3,271</u>	<u>\$ -</u>	<u>\$ 820,481</u>	<u>\$ 5,126</u>	<u>\$ 4,856</u>	<u>\$ 3,256,793</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 737,974	\$ 278,085	\$ 77,763	\$ 410,021	\$ 38,716	\$ 449,765	\$ -	\$ -
Receipts:								
Local sources	54,435	676,561	208,154	578,053	115,846	204,032	-	-
Intermediate sources	15	-	-	-	-	-	-	-
State sources	6,591,144	-	-	65,000	62,069	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	7,050	-	-	-	-	-	-	-
Total receipts	<u>6,652,644</u>	<u>676,561</u>	<u>208,154</u>	<u>643,053</u>	<u>177,915</u>	<u>204,032</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	4,130,602	-	-	-	-	-	-	-
Support services	1,919,919	7,114	-	464,800	148,321	221,186	-	-
Noninstructional services	51,080	-	-	-	-	-	-	-
Facilities acquisition and construction	64,179	-	-	196,388	-	-	-	-
Debt services	795	679,390	207,869	-	-	-	-	-
Nonprogrammed charges	183,612	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>6,350,187</u>	<u>686,504</u>	<u>207,869</u>	<u>661,188</u>	<u>148,321</u>	<u>221,186</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>302,457</u>	<u>(9,943)</u>	<u>285</u>	<u>(18,135)</u>	<u>29,594</u>	<u>(17,154)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	68,615	-	-	-	-	-	-	-
Transfers in	57,296	8,981	-	7,596	10,444	2,179	-	26,913
Transfers out	-	-	-	-	-	(45,548)	-	-
Total other financing sources (uses)	<u>125,911</u>	<u>8,981</u>	<u>-</u>	<u>7,596</u>	<u>10,444</u>	<u>(43,369)</u>	<u>-</u>	<u>26,913</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>428,368</u>	<u>(962)</u>	<u>285</u>	<u>(10,539)</u>	<u>40,038</u>	<u>(60,523)</u>	<u>-</u>	<u>26,913</u>
Cash and investments - ending	<u>\$ 1,166,342</u>	<u>\$ 277,123</u>	<u>\$ 78,048</u>	<u>\$ 399,482</u>	<u>\$ 78,754</u>	<u>\$ 389,242</u>	<u>\$ -</u>	<u>\$ 26,913</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Retirement/ Severance Bond	School Lunch	Textbook Rental	Levy Excess	ERC Simon Youth Grant	Educational License Plates	Alternative Education	Early Intervention Grant
Cash and investments - beginning	\$ 159,648	\$ 118,019	\$ 12,195	\$ -	\$ -	\$ 338	\$ -	\$ -
Receipts:								
Local sources	-	164,597	81,431	-	-	-	-	-
Intermediate sources	-	-	-	-	-	413	-	-
State sources	-	3,772	35,975	8,527	-	-	3,786	-
Federal sources	-	277,124	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	300	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>445,793</u>	<u>117,406</u>	<u>8,527</u>	<u>-</u>	<u>413</u>	<u>3,786</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	18,642	-	-	-	-	426	3,786	-
Support services	90	374	23,613	-	-	-	-	-
Noninstructional services	-	439,329	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	400	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>19,132</u>	<u>439,703</u>	<u>23,613</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>3,786</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(19,132)</u>	<u>6,090</u>	<u>93,793</u>	<u>8,527</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	45	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(28,704)	(8,527)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(28,659)</u>	<u>(8,527)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,132)</u>	<u>6,090</u>	<u>65,134</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 140,516</u>	<u>\$ 124,109</u>	<u>\$ 77,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	ES Bo-Witt Schools Discretion	ES Cape Grant	ES Clothe A Child Donations	MS Donations, Gifts & Trusts	MS Donations Gillespie LD	HS ERC Simon Youth Foundation	HS Donations United Way Design	High Ability Grant
Cash and investments - beginning	\$ -	\$ 1,609	\$ 33,655	\$ 200	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	350	-	2,550	425	2,483	-	30	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	28,426
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>350</u>	<u>-</u>	<u>2,550</u>	<u>425</u>	<u>2,483</u>	<u>-</u>	<u>30</u>	<u>28,426</u>
Disbursements:								
Current:								
Instruction	350	50	-	625	2,483	-	30	28,426
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	4,354	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>350</u>	<u>50</u>	<u>4,354</u>	<u>625</u>	<u>2,483</u>	<u>-</u>	<u>30</u>	<u>28,426</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(50)</u>	<u>(1,804)</u>	<u>(200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
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>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(50)</u>	<u>(1,804)</u>	<u>(200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,559</u>	<u>\$ 31,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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/ Talented Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Excess PTRC Distributions	Title I 2010-2011	Title I 2008-2009	Title I 2009-2010	Drug Free 2007-2008
Cash and investments - beginning	\$ 567	\$ -	\$ -	\$ 20,674	\$ -	\$ -	\$ 27,020	\$ -
Receipts:								
Local sources	-	-	36,926	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	3,206	-	-	-	-	-
Federal sources	-	-	-	-	204,943	-	24,796	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	40,132	-	204,943	-	24,796	-
Disbursements:								
Current:								
Instruction	567	-	1,456	-	158,348	-	28,906	-
Support services	-	-	4,904	-	59,842	-	(122)	-
Noninstructional services	-	-	-	-	9,079	-	706	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	567	-	6,360	-	227,269	-	29,490	-
Excess (deficiency) of receipts over disbursements	(567)	-	33,772	-	(22,326)	-	(4,694)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	22,326	-	-	-
Transfers out	-	-	-	(20,674)	-	-	(22,326)	-
Total other financing sources (uses)	-	-	-	(20,674)	22,326	-	(22,326)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(567)	-	33,772	(20,674)	-	-	(27,020)	-
Cash and investments - ending	\$ -	\$ -	\$ 33,772	\$ -	\$ -	\$ -	\$ -	\$ -

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Drug Free Title IV	Drug Free Title IV 2009	Medicaid Reimbursement Federal	HIP Purdue University	Improving Teaching Quality, No Child Left, Title II, Part A	Title IIA 2009-2010	Title II Ends 9/12	Fiscal Stabilization - Education
Cash and investments - beginning	\$ 3,400	\$ 3,206	\$ 20,299	\$ 3,117	\$ -	\$ 9,352	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	1,790	20,361	-	-	2,400	39,443	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	1,790	20,361	-	-	2,400	39,443	-
Disbursements:								
Current:								
Instruction	3,400	4,516	190	754	-	11,752	39,443	-
Support services	-	480	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	3,400	4,996	190	754	-	11,752	39,443	-
Excess (deficiency) of receipts over disbursements	(3,400)	(3,206)	20,171	(754)	-	(9,352)	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(9,956)	-	-	-	-	-
Total other financing sources (uses)	-	-	(9,956)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,400)	(3,206)	10,215	(754)	-	(9,352)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 30,514	\$ 2,363	\$ -	\$ -	\$ -	\$ -

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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 - Grants to LEAs	Special Education - Part B	Education Technology	School Lunch Equipment	Qualified School Construction Bond	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 17,155	\$ 281	\$ 3,271	\$ -	\$ 820,481	\$ 5,126	\$ 4,856	\$ 3,256,793
Receipts:								
Local sources	-	-	-	-	511	5,802	-	2,132,186
Intermediate sources	-	-	-	-	-	-	-	428
State sources	-	-	-	-	-	-	-	6,801,905
Federal sources	29,519	43,362	35,001	-	-	-	-	678,739
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,398,490	1,405,840
Total receipts	<u>29,519</u>	<u>43,362</u>	<u>35,001</u>	<u>-</u>	<u>511</u>	<u>5,802</u>	<u>1,398,490</u>	<u>11,019,098</u>
Disbursements:								
Current:								
Instruction	26,106	43,643	2,353	-	-	-	-	4,506,854
Support services	20,568	-	12,357	-	-	-	-	2,883,446
Noninstructional services	-	-	-	-	-	87	-	504,635
Facilities acquisition and construction	-	-	-	-	820,992	-	-	1,081,559
Debt services	-	-	-	-	-	-	-	888,054
Nonprogrammed charges	-	-	23,562	-	-	-	1,392,175	1,599,749
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>46,674</u>	<u>43,643</u>	<u>38,272</u>	<u>-</u>	<u>820,992</u>	<u>87</u>	<u>1,392,175</u>	<u>11,464,297</u>
Excess (deficiency) of receipts over disbursements	<u>(17,155)</u>	<u>(281)</u>	<u>(3,271)</u>	<u>-</u>	<u>(820,481)</u>	<u>5,715</u>	<u>6,315</u>	<u>(445,199)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	68,660
Transfers in	-	-	-	-	-	-	-	135,735
Transfers out	-	-	-	-	-	-	-	(135,735)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,660</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(17,155)</u>	<u>(281)</u>	<u>(3,271)</u>	<u>-</u>	<u>(820,481)</u>	<u>5,715</u>	<u>6,315</u>	<u>(376,539)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,841</u>	<u>\$ 11,171</u>	<u>\$ 2,880,254</u>

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EDINBURGH COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
2005 Refinancing of 1995 Building	\$ 935,000	\$ 209,434
2003 Renovations	2,185,000	246,114
2005 Energy Renovation	680,000	172,000
Energy Savings Contract	511,298	124,986
2008 ES Computers	9,988	134
2009 Renovations - QSCB	874,000	46,550
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds	<u>1,915,000</u>	<u>200,914</u>
Total long term debt	<u>\$ 7,110,286</u>	<u>\$ 1,000,132</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***INTERNAL CONTROLS – SCHOOL LUNCH PROGRAM***

The controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient.

Control activities should be selected and developed at various levels to reduce risks of error and/or fraud of the financial statement. We noted deficiencies in the internal control system related to school lunch receipts.

At the high school cafeteria, the Cafeteria Manager does not have sufficient internal controls over verifying the bank deposit amount. During our overview of the process we noted that one cashier is responsible for her regular register activity, as well as compiling all the cashiers' money and making up the bank deposit and taking the deposit to the bank each day. The deposit amount is verified by the Cafeteria Manager, but only by the total and not the composition of cash and checks. The Cafeteria Manager needs to verify that both the cash and check amounts agree to the detail totals on the till report. That verification should be documented.

Also, at the elementary school there needs to be sufficient internal controls over adjustments to student accounts and bank deposits. Only one individual oversees the collection of money, depositing the money into student accounts, running the register during both breakfast and lunch, balancing the register, making adjustments, and creating a deposit slip. The Cafeteria Manager verifies the deposit by counting the cash and checks at the end of each day, but does not look at anything else to verify the composition of the deposit. The Cafeteria Manager then takes the deposit to the bank. The Cafeteria Manager needs sufficient internal controls to ensure that any adjustments to students' accounts are correct and has supporting documentation, and that the bank deposits are intact and correct.

The School Corporation's software in both the elementary and high school cafeteria does not have sufficient storage space to save the prior year records online. At the end of each school year, all information is cleared and can no longer be accessed by the cafeteria staff or by the Treasurer. Any access at that point must be done by the Technology Director to restore that data. The Technology Director was able to restore the data to give us the reports that we had requested. Accounting records and reports must be retained for audit purposes.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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)

EDINBURGH COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

**FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS**

School officials issued bonds through the Qualified School Construction Bond (QSCB) program during the 2009-2010 school year. One of the requirements of the QSCB program was compliance with the Davis-Bacon Act for construction contracts.

The American Recovery and Reinvestment Act of 2009, Section 1606 states:

"Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code."

However, the specifications for the construction work for the project referenced Indiana Code 5-16-7-1, not the Davis-Bacon federal regulations.

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

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE EDINBURGH COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Edinburgh Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 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. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2011-2 and 2011-3.

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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 2011-2 and 2011-3. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

February 9, 2012

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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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
School Year 2009/2010		N/A	\$ 73,429	\$ -
School Year 2010/2011		N/A	<u>-</u>	<u>62,463</u>
Total for program			<u>73,429</u>	<u>62,463</u>
National School Lunch Program				
School Year 2009/2010	10.555		239,349	-
School Year 2010/2011		N/A	<u>-</u>	<u>244,565</u>
Total for program			<u>239,349</u>	<u>244,565</u>
Total for cluster			<u>312,778</u>	<u>307,028</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability				
	10.579		<u>14,501</u>	<u>-</u>
Total for federal grantor agency			<u>327,279</u>	<u>307,028</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
School year 2009/2010		N/A	244,575	-
School year 2010/2011			<u>-</u>	<u>256,758</u>
Total for program			<u>244,575</u>	<u>256,758</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
School Year 2009/2010	84.389		65,932	-
School Year 2010/2011		N/A	<u>-</u>	<u>46,675</u>
Total for program			<u>65,932</u>	<u>46,675</u>
Total for cluster			<u>310,507</u>	<u>303,433</u>
Pass-Through Special Services, Johnson County and Surrounding Schools				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391			
School Year 2009/2010			34,719	-
School Year 2010/2011			<u>-</u>	<u>43,643</u>
Total for cluster			<u>34,719</u>	<u>43,643</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		677,481	-
Total for cluster			677,481	-
Safe and Drug-Free Schools and Communities - State Grants School Year 2009/2010 School Year 2010/2011	84.186	N/A	2,413 -	- 8,396
Total for program			2,413	8,396
Improving Teacher Quality State Grants School Year 2009/2010 School Year 2010/2011	84.367		58,054 -	- 51,194
Total for program			58,054	51,194
Education Technology State Grants Cluster ARRA - Education Technology State Grants, Recovery Act (Enhancing Education Through Technology Program) School Year 2009/2010 School Year 2010/2011	84.386	S386A090014	121,279 -	- 38,271
Total for cluster			121,279	38,271
Total for federal grantor agency			1,244,812	485,661
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Purdue University Block Grants for Prevention and Treatment of Substance Abuse School Year 2009/2010 School Year 2010/2011	93.959		11,455 -	- 754
Total for federal grantor agency			11,455	754
Total federal awards expended			\$ 1,583,546	\$ 793,443

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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 Edinburgh Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial 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. Subrecipients**

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2010 and 2011:

Program Title	Federal CFDA Number	2010	2011
ARRA – Education Technology State Grants, Recovery Act (Enhancing Education Through Technology Program)	84.386	\$ 30,438	\$ 23,562

**Note 3. 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
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 6,463	\$ 6,084
National School Lunch Program	10.555	21,066	23,820

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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?	yes
Significant deficiencies identified?	no
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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

Child Nutrition Cluster  
Title I, Part A Cluster  
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2011-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

Control activities should be selected and developed at various levels to reduce risks of error and/or fraud of the financial statement. We noted deficiencies in the internal control system of the School Corporation related to school lunch receipts.

At the high school cafeteria, the Cafeteria Manager does not have sufficient internal controls over verifying the bank deposit amount. During our overview of the process we noted that one cashier is responsible for her regular register activity, as well as compiling all the cashiers' money and making up the bank deposit and taking the deposit to the bank each day. The deposit amount is verified by the Cafeteria Manager, but only by the total and not the composition of cash and checks. The Cafeteria Manager needs to verify that both the cash and check amounts agree to the detail totals on the till report. That verification should be documented.

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(Continued)

Also, at the elementary school there needs to be sufficient internal controls over adjustments to student accounts and bank deposits. Only one individual oversees the collection of money, depositing the money into student accounts, running the register during both breakfast and lunch, balancing the register, making adjustments, and creating a deposit slip. The Cafeteria Manager verifies the deposit by counting the cash and checks at the end of each day, but does not look at anything else to verify the composition of the deposit. The manager then takes the deposit to the bank. The Cafeteria Manager needs sufficient internal controls to ensure that any adjustments to students' accounts are correct and has supporting documentation, and that the bank deposits are intact and correct.

The School Corporation's software in both the elementary and high school cafeteria does not have sufficient storage space to save the prior year records online. At the end of each school year, all information is cleared and can no longer be accessed by the cafeteria staff or by the Treasurer. Any access at that point must be done by the Technology Director to restore that data. The Technology Director was able to restore the data to give us the reports that we had requested. Accounting records and reports must be retained for audit purposes.

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 2011-2 - CASH MANAGEMENT***

Federal Agency: U.S. Department of Education  
Federal Program: Title I, Part A Cluster  
CFDA Number: 84.010 and 84.389  
Federal Award Number and Year (or Other Identifying Number): N/A  
Pass-Through Entity: Indiana Department of Education

Amounts received by the School Corporation for the Title I Grants to Local Educational Agencies and the ARRA - Title I Grants to Local Educational Agencies, Recovery Act grants 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. For the regular Title I grant, the cash balance exceeded the allowable cash balance based on estimated future requirements for 4 of the 15 months. For the ARRA funded Title I grant, the cash balance exceeded the allowable cash balance based on estimated future requirements for 12 of 18 months. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

34 CFR 80.20 (b)(7) states:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the

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(Continued)

receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

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.

***FINDING 2011-3 - ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: U.S. Department of Education

Federal Program: Title I, Part A Cluster

CFDA Number: 84.010 and 84.389

Federal Award Number and Year (or Other Identifying Number): N/A

Pass-through Entity: Indiana Department of Education

We reviewed payroll transactions to determine whether salaries and benefits charged to the grants were supported by adequate time and effort documentation. We noted that there were not sufficient internal controls in place to ensure compliance with federal time and effort reporting requirements. In one instance, there was a semiannual certification which included the 2010-2011 school year and was signed June 11, 2011. One of the paraprofessionals listed on the certification had retired as of the end of December, 2010; however, she was still listed on the document. Also, a monitoring desk review by the Indiana Department of Education noted an issue with the certifications presented for the monitoring, it appeared that there was either one teacher not on the certifications or the grant information was incorrect; no determination was actually made as to the actual issue.

U.S. Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribe Governments, Attachment B, Section 8(h), states in part:

"Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

- (1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
- (2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

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(Continued)

- (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed the employee or supervisory official having first hand knowledge of the work performed by the employee.
  
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) under a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
  - (a) More than one Federal award,
  - (b) A Federal award and a non-Federal award,
  - (c) An indirect cost activity and a direct cost activity,
  - (d) Two or more indirect activities which are allocated using different allocation bases, or
  - (e) an unallowable activity and a direct or indirect cost activity."

We recommended School Corporation Officials establish and follow internal controls to ensure compliance with federal grant requirements.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



# EDINBURGH COMMUNITY SCHOOL CORPORATION

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Mr. Guy Hardin  
Mr. Justin Lollar  
Mrs. Alice Taulman  
Mrs. Kim Weddle

MRS. DENISE BESSLER  
Superintendent

February 9, 2012

State Board of Accounts  
302 West Washington Street  
4<sup>th</sup> Floor, Room E418  
Indianapolis, IN 46204-2765

## CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

### **Finding 2011-1. INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

Auditee Contact Person(s): Tamara Lewis

Phone/E-mail: 812-526-2681/tlewis@ecsc.k12.in.us

Expected completion date: February, 2012

Corrective action:

*Corrective action has been taken. Cafeteria Manager's confirm the checks and cash on the bank deposit balance with the computer generated reports. The elementary cafeteria manager will review and initial all adjustments made on the computer.*

### **Federal Finding 2011-2. CASH MANAGEMENT**

Federal Agency: U. S. Department of Education

Federal Program: Title I Grants to Local Educational Agencies and  
ARRA - Title I Grants to Local Educational Agencies, Recovery Act

CFDA Number: 84.010; 84.389

Federal Award Number and Year (or Other Identifying Number): N/A

Pass-through Entity: Indiana Department of Education

Auditee Contact Person(s): Tamara Lewis

Phone/E-mail: 812-526-2681/tlewis@ecsc.k12.in.us

Expected completion date: January, 2012

Corrective action has been taken. The Indiana Department of Education has changed to a reimbursement process on these grants.

**Federal Finding 2011-3. ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: U.S. Department of Education  
Federal Program: Title I Cluster  
CFDA Number: 84.010 and 84.389  
Federal Award Number and Year (or Other Identifying Number): N/A  
Pass-through Entity: Indiana Department of Education

Auditee Contact Person(s): Tamara Lewis

Phone/E-mail: 812-526-2681/tlewis@ecsc.k12.in.us

Expected completion date: February, 2012

Corrective action:

We will establish a procedure with the Title I director to insure that all time and effort documentation is completed timely.

Sincerely,



Tamara Lewis  
Business Manager

February 9, 2012  
Date

EDINBURGH COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2012, with Tamara J. Lewis, Business Manager; Cathy Hamm, President of the School Board; and Carrie Brown, Deputy Treasurer.