

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

HAMILTON COMMUNITY SCHOOLS
STEUBEN COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
01/10/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelley Kitchen	07-01-10 to 08-07-11
Business Manager/Treasurer	Stacy Oberlin	08-08-11 to 06-30-13
Superintendent of Schools	(Vacant) Bruce Hippensteel (Interim) (Vacant) Jon Willman	07-01-10 to 07-18-10 07-19-10 to 11-19-10 11-20-10 to 11-27-10 11-28-10 to 06-30-13
President of the School Board	Scott Lucas	07-01-10 to 06-30-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE HAMILTON COMMUNITY SCHOOLS, STEUBEN COUNTY, INDIANA

We have audited the accompanying financial statement of the Hamilton Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012. 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

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 period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 3, 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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.

STATE BOARD OF ACCOUNTS

December 3, 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 HAMILTON COMMUNITY SCHOOLS, STEUBEN COUNTY, INDIANA

We have audited the financial statement of the Hamilton Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated December 3, 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

Management of the School Corporation is responsible for establishing and maintaining effective 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 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.

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

December 3, 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.

HAMILTON COMMUNITY SCHOOLS
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	1,462,195	3,688,998	3,804,536	(489,382)	857,275	3,314,825	3,415,462	11,042	767,680
Debt Service	154,034	196,132	267,441	3,854	86,579	251,214	276,025	-	61,768
Retirement/Severance Bond Debt Service	9,928	45,493	43,495	-	11,926	46,213	46,417	-	11,722
Capital Projects	553,161	670,436	1,054,262	4,566	173,901	696,059	689,861	-	180,099
School Transportation	641,078	498,063	398,402	(362,278)	378,461	490,095	411,378	-	457,178
School Bus Replacement	23,258	21,567	-	(29,829)	14,996	80,956	-	-	95,952
Rainy Day	965,581	1,942	121,000	912,000	1,758,523	2,130	-	(30,000)	1,730,653
Construction	-	-	241,395	1,890,500	1,649,105	-	1,601,589	-	47,516
School Lunch	26,883	203,525	208,950	-	21,458	181,355	205,148	25,000	22,665
☐ Textbook Rental	12,202	22,897	17,787	-	17,312	32,335	41,975	-	7,672
Levy Excess	3,528	9,508	-	(13,036)	-	-	-	-	-
Educational License Plates	4,875	1,592	-	-	6,467	19	-	-	6,486
Early Lit. Intervention	-	-	-	-	-	36,740	36,740	-	-
Reading Recovery	104	-	-	-	104	-	-	-	104
Art Donation	400	-	-	-	400	-	-	-	400
Hamilton Life Center Grant	500	-	-	-	500	-	-	-	500
Lions Club Donation	500	-	-	-	500	-	-	-	500
J. Ervin Dekko Art Ed	139	6,000	100	-	6,039	-	1,108	-	4,931
Extra-Curricular Assignments	833	5,366	5,852	-	347	-	5,146	5,000	201
Rieke Donation	9,469	-	650	-	8,819	-	4,584	-	4,235
F.I.S.T.	426	2,260	1,528	-	1,158	748	704	-	1,202
Nurse's Grant	897	-	897	-	-	-	-	-	-
Staff Wellness Grant	3,565	6,700	601	-	9,664	-	2,100	-	7,564
Gifted and Talented High Ability FY 09/10	1,041	-	1,041	-	-	-	-	-	-
Gifted and Talented High Ability FY 10/11	-	26,947	15,956	-	10,991	-	10,991	-	-
Gifted and Talented High Ability FY 11/12	-	-	-	-	-	25,779	25,779	-	-
Gifted and Talented High Ability FY 08/09	124	-	-	-	124	-	-	-	124
Non-English Speaking Programs P.L. 273-1999	193	-	-	-	193	-	-	-	193

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

HAMILTON COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
School Technology	-	2,877	1,523	-	1,354	4,315	507	-	5,162
LSTA Technology Grant	-	-	-	-	-	9,611	9,611	-	-
Center for School Assessment	480	-	-	-	480	-	-	-	480
Excess PTRC Distributions	-	15,277	-	(15,277)	-	-	-	-	-
Title I FY 09/10	36,990	33,400	70,390	-	-	-	-	-	-
Title I FY 10/11	-	344,238	291,114	-	53,124	-	53,124	-	-
Title I FY 11/12	-	-	-	-	-	224,231	287,556	-	(63,325)
Title I FY 07/08	-	92	-	-	92	-	-	-	92
Drug Free Schools FY 09/10	2,948	-	2,948	-	-	-	-	-	-
Title IV Part A	-	1,101	1,101	-	-	-	-	-	-
TEI	2,318	-	-	-	2,318	-	-	-	2,318
Improving Teaching Quality, No Child Left, Title II, Part A	7,288	-	7,288	-	-	-	-	-	-
Title II Part A 09-11	-	33,887	33,887	-	-	-	-	-	-
Title II Part A 10-12	-	18,500	6,339	-	12,161	12,053	24,214	-	-
Title II Part A 11-13	-	-	-	-	-	-	11,602	-	(11,602)
ITQ, Enhanced Education Through Technology, Title II, Part D	264	-	264	-	-	-	-	-	-
Rural Schools Achievement	317	-	317	-	-	-	-	-	-
REAP Federal Grant FY 09/10	4,207	6,986	11,193	-	-	-	-	-	-
REAP Federal Grant FY 10/11	-	18,819	14,801	-	4,018	-	7,899	-	(3,881)
Rural Schools and Low Income Program - Pass Through State	7,065	-	7,065	-	-	-	-	-	-
Title I - Grants to LEAs	17,704	5,871	23,575	-	-	-	-	-	-
Special Education - Part B	6,676	46,969	54,352	-	(707)	707	-	-	-
Education Jobs	-	-	-	-	-	122,478	122,478	-	-
Payroll Clearing	9,540	926,620	918,079	-	18,081	886,505	894,774	-	9,812
Fringe Benefit Clearing	2,454	-	558	-	1,896	1,037	-	-	2,933
Totals	<u>\$ 3,973,165</u>	<u>\$ 6,862,063</u>	<u>\$ 7,628,687</u>	<u>\$ 1,901,118</u>	<u>\$ 5,107,659</u>	<u>\$ 6,419,405</u>	<u>\$ 8,186,772</u>	<u>\$ 11,042</u>	<u>\$ 3,351,334</u>

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

HAMILTON COMMUNITY 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.

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. Receipts are recorded when received and disbursements are recorded when paid.

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 include distributions from the State of Indiana and are 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 COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are 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.

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 funds held temporarily for an authorized recipient.

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:

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.

HAMILTON COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 or highway use taxes are received 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.

HAMILTON COMMUNITY SCHOOLS
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.

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.

HAMILTON COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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.

C. Defined Contribution Pension Plan

Plan Description

The School Corporation also contributes to additional pension plan administered by the Variable Life Insurance Company as authorized by Indiana Code 5-10-1.1-1. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by a written agreement between the School Corporation and the Plan Administrator. The Plan Administrator issues a publicly available report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

The Variable Life Insurance Company
2929 Allen Parkway, AG-09
Houston, TX 77019
Ph. (713) 831-4995

HAMILTON COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Hamilton Education Association. The School Corporation is required to contribute at an actuarially determined rate.

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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 approved by management of the School Corporation. It is presented as intended by the School Corporation.

HAMILTON COMMUNITY 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	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 1,462,195	\$ 154,034	\$ 9,928	\$ 553,161	\$ 641,078	\$ 23,258
Receipts:						
Local sources	83,355	196,132	45,493	670,436	498,063	21,567
Intermediate sources	21	-	-	-	-	-
State sources	3,605,622	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>3,688,998</u>	<u>196,132</u>	<u>45,493</u>	<u>670,436</u>	<u>498,063</u>	<u>21,567</u>
Disbursements:						
Current:						
Instruction	2,414,440	-	-	-	-	-
Support services	1,286,306	-	-	430,714	398,402	-
Noninstructional services	103,790	-	-	-	-	-
Facilities acquisition and construction	-	-	-	623,548	-	-
Debt services	-	267,441	43,495	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>3,804,536</u>	<u>267,441</u>	<u>43,495</u>	<u>1,054,262</u>	<u>398,402</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(115,538)</u>	<u>(71,309)</u>	<u>1,998</u>	<u>(383,826)</u>	<u>99,661</u>	<u>21,567</u>
Other financing sources (uses)						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	10,618	-	-	-	-	-
Transfers in	-	3,854	-	12,002	19,722	171
Transfers out	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(7,436)</u>	<u>(382,000)</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>(489,382)</u>	<u>3,854</u>	<u>-</u>	<u>4,566</u>	<u>(362,278)</u>	<u>(29,829)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(604,920)</u>	<u>(67,455)</u>	<u>1,998</u>	<u>(379,260)</u>	<u>(262,617)</u>	<u>(8,262)</u>
Cash and investments - ending	<u>\$ 857,275</u>	<u>\$ 86,579</u>	<u>\$ 11,926</u>	<u>\$ 173,901</u>	<u>\$ 378,461</u>	<u>\$ 14,996</u>

HAMILTON COMMUNITY 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)

	Rainy Day	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 965,581	\$ -	\$ 26,883	\$ 12,202	\$ 3,528	\$ 4,875
Receipts:						
Local sources	1,942	-	146,443	19,902	9,508	-
Intermediate sources	-	-	-	-	-	1,592
State sources	-	-	-	2,995	-	-
Federal sources	-	-	57,082	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>1,942</u>	<u>-</u>	<u>203,525</u>	<u>22,897</u>	<u>9,508</u>	<u>1,592</u>
Disbursements:						
Current:						
Instruction	81,000	-	-	781	-	-
Support services	-	-	-	17,006	-	-
Noninstructional services	40,000	-	208,950	-	-	-
Facilities acquisition and construction	-	241,395	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>121,000</u>	<u>241,395</u>	<u>208,950</u>	<u>17,787</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(119,058)</u>	<u>(241,395)</u>	<u>(5,425)</u>	<u>5,110</u>	<u>9,508</u>	<u>1,592</u>
Other financing sources (uses)						
Proceeds of long-term debt	-	1,890,500	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	912,000	-	-	-	-	-
Transfers out	-	-	-	-	(13,036)	-
Total other financing sources (uses)	<u>912,000</u>	<u>1,890,500</u>	<u>-</u>	<u>-</u>	<u>(13,036)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>792,942</u>	<u>1,649,105</u>	<u>(5,425)</u>	<u>5,110</u>	<u>(3,528)</u>	<u>1,592</u>
Cash and investments - ending	<u>\$ 1,758,523</u>	<u>\$ 1,649,105</u>	<u>\$ 21,458</u>	<u>\$ 17,312</u>	<u>\$ -</u>	<u>\$ 6,467</u>

HAMILTON COMMUNITY 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)

	Early Lit. Intervention	Reading Recovery	Art Donation	Hamilton Life Center Grant	Lions Club Donation	J. Ervin Dekko Art Ed
Cash and investments - beginning	\$ -	\$ 104	\$ 400	\$ 500	\$ 500	\$ 139
Receipts:						
Local sources	-	-	-	-	-	6,000
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	6,000
Disbursements:						
Current:						
Instruction	-	-	-	-	-	100
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	100
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	5,900
Other financing sources (uses)						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	5,900
Cash and investments - ending	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 400</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 6,039</u>

HAMILTON COMMUNITY 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)

	Extra- Curricular Assignments	Rieke Donation	F.I.S.T.	Nurse's Grant	Staff Wellness Grant	Gifted and Talented High Ability FY 09/10
Cash and investments - beginning	\$ 833	\$ 9,469	\$ 426	\$ 897	\$ 3,565	\$ 1,041
Receipts:						
Local sources	5,366	-	2,260	-	6,700	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>5,366</u>	<u>-</u>	<u>2,260</u>	<u>-</u>	<u>6,700</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	5,852	(350)	1,528	-	-	1,041
Support services	-	-	-	897	601	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	1,000	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>5,852</u>	<u>650</u>	<u>1,528</u>	<u>897</u>	<u>601</u>	<u>1,041</u>
Excess (deficiency) of receipts over disbursements	<u>(486)</u>	<u>(650)</u>	<u>732</u>	<u>(897)</u>	<u>6,099</u>	<u>(1,041)</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>(486)</u>	<u>(650)</u>	<u>732</u>	<u>(897)</u>	<u>6,099</u>	<u>(1,041)</u>
Cash and investments - ending	<u>\$ 347</u>	<u>\$ 8,819</u>	<u>\$ 1,158</u>	<u>\$ -</u>	<u>\$ 9,664</u>	<u>\$ -</u>

HAMILTON COMMUNITY 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 High Ability FY 10/11	Gifted and Talented High Ability FY 11/12	Gifted and Talented High Ability FY 08/09	Non-English Speaking Programs P.L. 273-1999	School Technology	LSTA Technology Grant
Cash and investments - beginning	\$ -	\$ -	\$ 124	\$ 193	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	26,947	-	-	-	2,877	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>26,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,877</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	15,956	-	-	-	-	-
Support services	-	-	-	-	1,523	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>15,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,523</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>10,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,354</u>	<u>-</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>10,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,354</u>	<u>-</u>
Cash and investments - ending	<u>\$ 10,991</u>	<u>\$ -</u>	<u>\$ 124</u>	<u>\$ 193</u>	<u>\$ 1,354</u>	<u>\$ -</u>

HAMILTON COMMUNITY 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)

	Center for School Assessment	Excess PTRC Distributions	Title I FY 09/10	Title I FY 10/11	Title I FY 11/12	Title I FY 07/08
Cash and investments - beginning	\$ 480	\$ -	\$ 36,990	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	15,277	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	33,400	344,238	-	-
Other	-	-	-	-	-	92
Total receipts	<u>-</u>	<u>15,277</u>	<u>33,400</u>	<u>344,238</u>	<u>-</u>	<u>92</u>
Disbursements:						
Current:						
Instruction	-	-	70,390	287,336	-	-
Support services	-	-	-	3,778	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>70,390</u>	<u>291,114</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>15,277</u>	<u>(36,990)</u>	<u>53,124</u>	<u>-</u>	<u>92</u>
Other financing sources (uses)						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	9,118	-	-	-	-
Transfers out	-	(24,395)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(15,277)</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>-</u>	<u>(36,990)</u>	<u>53,124</u>	<u>-</u>	<u>92</u>
Cash and investments - ending	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,124</u>	<u>\$ -</u>	<u>\$ 92</u>

HAMILTON COMMUNITY 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)

	Drug Free Schools FY 09/10	Title IV Part A	TEI	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 09-11	Title II Part A 10-12
Cash and investments - beginning	\$ 2,948	\$ -	\$ 2,318	\$ 7,288	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	1,101	-	-	33,887	18,500
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>1,101</u>	<u>-</u>	<u>-</u>	<u>33,887</u>	<u>18,500</u>
Disbursements:						
Current:						
Instruction	2,948	1,101	-	-	6,546	-
Support services	-	-	-	7,288	27,341	6,339
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>2,948</u>	<u>1,101</u>	<u>-</u>	<u>7,288</u>	<u>33,887</u>	<u>6,339</u>
Excess (deficiency) of receipts over disbursements	<u>(2,948)</u>	<u>-</u>	<u>-</u>	<u>(7,288)</u>	<u>-</u>	<u>12,161</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>(2,948)</u>	<u>-</u>	<u>-</u>	<u>(7,288)</u>	<u>-</u>	<u>12,161</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,161</u>

HAMILTON COMMUNITY 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 II Part A 11-13	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools Achievement	REAP Federal Grant FY 09/10	REAP Federal Grant FY 10/11	Rural Schools and Low Income Program - Pass Through State
Cash and investments - beginning	\$ -	\$ 264	\$ 317	\$ 4,207	\$ -	\$ 7,065
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	6,986	18,819	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	6,986	18,819	-
Disbursements:						
Current:						
Instruction	-	-	-	8,131	11,863	7,065
Support services	-	264	317	3,062	2,938	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	264	317	11,193	14,801	7,065
Excess (deficiency) of receipts over disbursements	-	(264)	(317)	(4,207)	4,018	(7,065)
Other financing sources (uses)						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(264)	(317)	(4,207)	4,018	(7,065)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,018</u>	<u>\$ -</u>

HAMILTON COMMUNITY 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 - Grants to LEAs	Special Education - Part B	Education Jobs	Payroll Clearing	Fringe Benefit Clearing	Totals
Cash and investments - beginning	\$ 17,704	\$ 6,676	\$ -	\$ 9,540	2,454	\$ 3,973,165
Receipts:						
Local sources	-	-	-	-	-	1,728,444
Intermediate sources	-	-	-	-	-	1,613
State sources	-	-	-	-	-	3,638,441
Federal sources	5,871	46,969	-	-	-	566,853
Other	-	-	-	926,620	-	926,712
Total receipts	<u>5,871</u>	<u>46,969</u>	<u>-</u>	<u>926,620</u>	<u>-</u>	<u>6,862,063</u>
Disbursements:						
Current:						
Instruction	23,575	54,352	-	-	-	2,993,655
Support services	-	-	-	-	-	2,186,776
Noninstructional services	-	-	-	-	-	352,740
Facilities acquisition and construction	-	-	-	-	-	865,943
Debt services	-	-	-	-	-	310,936
Nonprogrammed charges	-	-	-	918,079	558	918,637
Total disbursements	<u>23,575</u>	<u>54,352</u>	<u>-</u>	<u>918,079</u>	<u>558</u>	<u>7,628,687</u>
Excess (deficiency) of receipts over disbursements	<u>(17,704)</u>	<u>(7,383)</u>	<u>-</u>	<u>8,541</u>	<u>(558)</u>	<u>(766,624)</u>
Other financing sources (uses)						
Proceeds of long-term debt	-	-	-	-	-	1,890,500
Sale of capital assets	-	-	-	-	-	10,618
Transfers in	-	-	-	-	-	956,867
Transfers out	-	-	-	-	-	(956,867)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,901,118</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(17,704)</u>	<u>(7,383)</u>	<u>-</u>	<u>8,541</u>	<u>(558)</u>	<u>1,134,494</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (707)</u>	<u>\$ -</u>	<u>\$ 18,081</u>	<u>\$ 1,896</u>	<u>\$ 5,107,659</u>

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 857,275	\$ 86,579	\$ 11,926	\$ 173,901	\$ 378,461	\$ 14,996
Receipts:						
Local sources	72,512	251,214	46,213	696,059	490,095	80,956
Intermediate sources	11	-	-	-	-	-
State sources	3,166,995	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	75,307	-	-	-	-	-
Total receipts	<u>3,314,825</u>	<u>251,214</u>	<u>46,213</u>	<u>696,059</u>	<u>490,095</u>	<u>80,956</u>
Disbursements:						
Current:						
Instruction	2,167,356	-	-	-	-	-
Support services	1,162,912	-	-	557,495	411,378	-
Noninstructional services	85,194	-	-	-	-	-
Facilities acquisition and construction	-	-	-	132,366	-	-
Debt services	-	276,025	46,417	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>3,415,462</u>	<u>276,025</u>	<u>46,417</u>	<u>689,861</u>	<u>411,378</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(100,637)</u>	<u>(24,811)</u>	<u>(204)</u>	<u>6,198</u>	<u>78,717</u>	<u>80,956</u>
Other financing sources (uses)						
Sale of capital assets	11,042	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>11,042</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>(89,595)</u>	<u>(24,811)</u>	<u>(204)</u>	<u>6,198</u>	<u>78,717</u>	<u>80,956</u>
Cash and investments - ending	<u>\$ 767,680</u>	<u>\$ 61,768</u>	<u>\$ 11,722</u>	<u>\$ 180,099</u>	<u>\$ 457,178</u>	<u>\$ 95,952</u>

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Rainy Day	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 1,758,523	\$ 1,649,105	\$ 21,458	\$ 17,312	\$ -	\$ 6,467
Receipts:						
Local sources	2,130	-	94,974	20,281	-	-
Intermediate sources	-	-	-	-	-	19
State sources	-	-	-	12,054	-	-
Federal sources	-	-	86,381	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>2,130</u>	<u>-</u>	<u>181,355</u>	<u>32,335</u>	<u>-</u>	<u>19</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	41,975	-	-
Noninstructional services	-	-	205,148	-	-	-
Facilities acquisition and construction	-	1,601,589	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>1,601,589</u>	<u>205,148</u>	<u>41,975</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,130</u>	<u>(1,601,589)</u>	<u>(23,793)</u>	<u>(9,640)</u>	<u>-</u>	<u>19</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	25,000	-	-	-
Transfers out	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(27,870)</u>	<u>(1,601,589)</u>	<u>1,207</u>	<u>(9,640)</u>	<u>-</u>	<u>19</u>
Cash and investments - ending	<u>\$ 1,730,653</u>	<u>\$ 47,516</u>	<u>\$ 22,665</u>	<u>\$ 7,672</u>	<u>\$ -</u>	<u>\$ 6,486</u>

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Early Lit. Intervention	Reading Recovery	Art Donation	Hamilton Life Center Grant	Lions Club Donation	J. Ervin Dekko Art Ed
Cash and investments - beginning	\$ -	\$ 104	\$ 400	\$ 500	\$ 500	\$ 6,039
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	36,740	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>36,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	36,740	-	-	-	-	1,108
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>36,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,108)</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,108)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 400</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 4,931</u>

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Extra- Curricular Assignments	Rieke Donation	F.I.S.T.	Nurse's Grant	Staff Wellness Grant	Gifted and Talented High Ability FY 09/10
Cash and investments - beginning	\$ 347	\$ 8,819	\$ 1,158	\$ -	\$ 9,664	\$ -
Receipts:						
Local sources	-	-	748	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>748</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	5,146	-	704	-	-	-
Support services	-	-	-	-	2,100	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	4,584	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>5,146</u>	<u>4,584</u>	<u>704</u>	<u>-</u>	<u>2,100</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,146)</u>	<u>(4,584)</u>	<u>44</u>	<u>-</u>	<u>(2,100)</u>	<u>-</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	5,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>5,000</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>(146)</u>	<u>(4,584)</u>	<u>44</u>	<u>-</u>	<u>(2,100)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 201</u>	<u>\$ 4,235</u>	<u>\$ 1,202</u>	<u>\$ -</u>	<u>\$ 7,564</u>	<u>\$ -</u>

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Gifted and Talented High Ability FY 10/11	Gifted and Talented High Ability FY 11/12	Gifted and Talented High Ability FY 08/09	Non-English Speaking Programs P.L. 273-1999	School Technology	LSTA Technology Grant
Cash and investments - beginning	\$ 10,991	\$ -	\$ 124	\$ 193	\$ 1,354	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	25,779	-	-	4,315	9,611
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>25,779</u>	<u>-</u>	<u>-</u>	<u>4,315</u>	<u>9,611</u>
Disbursements:						
Current:						
Instruction	10,991	25,779	-	-	-	-
Support services	-	-	-	-	507	9,611
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>10,991</u>	<u>25,779</u>	<u>-</u>	<u>-</u>	<u>507</u>	<u>9,611</u>
Excess (deficiency) of receipts over disbursements	<u>(10,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,808</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,808</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124</u>	<u>\$ 193</u>	<u>\$ 5,162</u>	<u>\$ -</u>

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Center for School Assessment	Excess PTRC Distributions	Title I FY 09/10	Title I FY 10/11	Title I FY 11/12	Title I FY 07/08
Cash and investments - beginning	\$ 480	\$ -	\$ -	\$ 53,124	\$ -	\$ 92
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	224,231	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	224,231	-
Disbursements:						
Current:						
Instruction	-	-	-	44,290	283,109	-
Support services	-	-	-	8,834	4,447	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	53,124	287,556	-
Excess (deficiency) of receipts over disbursements	-	-	-	(53,124)	(63,325)	-
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(53,124)	(63,325)	-
Cash and investments - ending	\$ 480	\$ -	\$ -	\$ -	\$ (63,325)	\$ 92

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Drug Free Schools FY 09/10	Title IV Part A	TEI	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 09-11	Title II Part A 10-12
Cash and investments - beginning	\$ -	\$ -	\$ 2,318	\$ -	\$ -	\$ 12,161
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	12,053
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	12,053
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	-	-	24,214
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	24,214
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(12,161)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(12,161)
Cash and investments - ending	\$ -	\$ -	\$ 2,318	\$ -	\$ -	\$ -

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title II Part A 11-13	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools Achievement	REAP Federal Grant FY 09/10	REAP Federal Grant FY 10/11	Rural Schools and Low Income Program - Pass Through State
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 4,018	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	11,602	-	-	-	7,899	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	11,602	-	-	-	7,899	-
Excess (deficiency) of receipts over disbursements	(11,602)	-	-	-	(7,899)	-
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,602)	-	-	-	(7,899)	-
Cash and investments - ending	\$ (11,602)	\$ -	\$ -	\$ -	\$ (3,881)	\$ -

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I - Grants to LEAs	Special Education - Part B	Education Jobs	Payroll Clearing	Fringe Benefit Clearing	Totals
Cash and investments - beginning	\$ -	\$ (707)	\$ -	\$ 18,081	\$ 1,896	\$ 5,107,659
Receipts:						
Local sources	-	-	-	-	-	1,755,182
Intermediate sources	-	-	-	-	-	30
State sources	-	-	-	-	-	3,255,494
Federal sources	-	707	122,478	-	-	445,850
Other	-	-	-	886,505	1,037	962,849
Total receipts	-	707	122,478	886,505	1,037	6,419,405
Disbursements:						
Current:						
Instruction	-	-	122,478	-	-	2,717,202
Support services	-	-	-	-	-	2,223,473
Noninstructional services	-	-	-	-	-	290,342
Facilities acquisition and construction	-	-	-	-	-	1,738,539
Debt services	-	-	-	-	-	322,442
Nonprogrammed charges	-	-	-	894,774	-	894,774
Total disbursements	-	-	122,478	894,774	-	8,186,772
Excess (deficiency) of receipts over disbursements	-	707	-	(8,269)	1,037	(1,767,367)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	11,042
Transfers in	-	-	-	-	-	30,000
Transfers out	-	-	-	-	-	(30,000)
Total other financing sources (uses)	-	-	-	-	-	11,042
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	707	-	(8,269)	1,037	(1,756,325)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 9,812	\$ 2,933	\$ 3,351,334

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HAMILTON COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF DEBT
 June 30, 2012

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
General obligation bonds of 2004	\$ 100,000	\$ 44,501
General obligation bonds of 2010	<u>1,645,000</u>	<u>271,950</u>
Total governmental activities debt	<u>\$ 1,745,000</u>	<u>\$ 316,451</u>

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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
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE HAMILTON COMMUNITY SCHOOLS, STEUBEN COUNTY, INDIANA

Compliance

We have audited the Hamilton Community Schools' (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

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 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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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, 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

December 3, 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.

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 15,701	\$ 17,341
National School Lunch Program	10.555		92,886	82,194
			<u>108,587</u>	<u>99,535</u>
Total for federal grantor agency				
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Pass-Through Indiana State Library				
Grants to States	45.310			
		LS-00-10-0015-10	-	9,611
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
Basic Grant		10-7610	70,390	-
Basic Grant		11-7610	344,238	-
Basic Grant		12-7610	-	224,231
			<u>414,628</u>	<u>224,231</u>
Total for program				
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-7610	23,575	-
			<u>438,203</u>	<u>224,231</u>
Total for cluster				
Educational Technology State Grants Cluster				
Education Technology State Grants	84.318			
		C1097610	264	-
Pass-Through Dekalb County Eastern Community School District				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-046-SN01	54,352	-
Direct Grant				
Rural Education	84.358			
		S358A097377	11,193	-
		S358A107377	18,819	-
Pass-Through Indiana Department of Education				
Rural Education				
		FY06	7,065	-
			<u>37,077</u>	<u>-</u>
Total for program				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		08-7610	2,948	-
		09-7610	1,101	-
			<u>4,049</u>	<u>-</u>
Total for program				
Improving Teacher Quality State Grants	84.367			
		08-7610	1,642	-
		09-7610	33,887	-
		10-7610	18,500	12,053
			<u>54,029</u>	<u>12,053</u>
Total for program				
Education Jobs Fund	84.410		-	122,478
Total for federal grantor agency			<u>587,974</u>	<u>358,762</u>
Total federal awards expended			<u>\$ 696,561</u>	<u>\$ 467,908</u>

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

HAMILTON COMMUNITY 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 Community 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, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 2,227	\$ 2,146
National School Lunch Program	10.555	12,730	11,659

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Child Nutrition Cluster
Title I, Part A Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HAMILTON COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

HAMILTON COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2012, with Jon Willman, Superintendent of Schools; Scott Lucas, President of the School Board; Stacy Oberlin, Business Manager/Treasurer; and Renee Kreischer, Secretary/Deputy Treasurer. Our audit disclosed no material items that warrant comment at this time.