

B31853

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

EXAMINATION REPORT

OF

UNION TOWNSHIP SCHOOL CORPORATION

PORTER COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

05/02/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela S. Buksar	07-01-05 to 06-30-08
Superintendent of Schools	John E. Hunter	07-01-05 to 06-30-08
President of the School Board	Sam C. DiMaio Theresa Boehlke	07-01-05 to 06-30-06 07-01-06 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE UNION TOWNSHIP SCHOOL
CORPORATION, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Union Township School Corporation (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of Union Township School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedules, as listed in the Table of Contents, have been subjected to examination procedures applied in the examination of the basic financial information and in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 12, 2008

UNION TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,708,384	\$ -	\$ 37,273	\$ (4,671,111)
Support services	8,195,976	627,000	120,417	(7,448,559)
Community services	290,357	-	-	(290,357)
Nonprogrammed charges	528,072	-	-	(528,072)
Debt service	7,419,425	-	-	(7,419,425)
	<u>\$ 21,142,214</u>	<u>\$ 627,000</u>	<u>\$ 157,690</u>	<u>(20,357,524)</u>
General receipts:				
Property taxes				4,975,982
Other local sources				1,701,845
State aid				5,044,351
Bonds and loans				6,000,000
Grants and contributions not restricted to specific programs				204,421
Sale of property, adjustments, and refunds				52,205
Investment earnings				320,064
				<u>18,298,868</u>
Change in net assets				(2,058,656)
Net assets - beginning				<u>9,013,196</u>
Net assets - ending				<u>\$ 6,954,540</u>
<u>Assets</u>				
Cash and investments				\$ 6,188,873
Restricted assets:				
Cash and investments				<u>765,667</u>
Total assets				<u>\$ 6,954,540</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 765,667
Unrestricted				<u>6,188,873</u>
Total net assets				<u>\$ 6,954,540</u>

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,823,105	\$ -	\$ 133,664	\$ (4,689,441)
Support services	7,355,334	620,104	129,216	(6,606,014)
Community services	280,437	-	-	(280,437)
Nonprogrammed charges	553,997	-	-	(553,997)
Debt service	<u>8,132,280</u>	<u>-</u>	<u>-</u>	<u>(8,132,280)</u>
Total governmental activities	<u>\$ 21,145,153</u>	<u>\$ 620,104</u>	<u>\$ 262,880</u>	<u>(20,262,169)</u>
General receipts:				
Property taxes				7,331,125
Other local sources				1,684,694
State aid				5,130,227
Bonds and loans				7,200,000
Grants and contributions not restricted to specific programs				205,018
Sale of property, adjustments, and refunds				27,501
Investment earnings				<u>411,482</u>
Total general receipts				<u>21,990,047</u>
Change in net assets				1,727,878
Net assets - beginning				<u>6,954,540</u>
Net assets - ending				<u>\$ 8,682,418</u>
<u>Assets</u>				
Cash and investments				\$ 7,656,774
Restricted assets:				
Cash and investments				<u>1,025,644</u>
Total assets				<u>\$ 8,682,418</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,025,644
Unrestricted				<u>7,656,774</u>
Total net assets				<u>\$ 8,682,418</u>

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 3,712,006	\$ 586,070	\$ -	\$ 1,542,294	\$ 1,035,708	\$ 21,146	\$ 727,200	\$ 7,624,424
Intermediate sources	34	-	-	-	-	-	431	465
State sources	5,173,342	-	-	-	-	-	55,616	5,228,958
Federal sources	-	-	-	-	-	-	177,506	177,506
Bonds and loans	3,500,000	500,000	-	1,000,000	1,000,000	-	-	6,000,000
Sale of property, adjustments and refunds	45,177	3,330	-	-	-	-	3,698	52,205
Total receipts	12,430,559	1,089,400	-	2,542,294	2,035,708	21,146	964,451	19,083,558
Disbursements:								
Current:								
Instruction	4,606,847	-	-	-	-	-	101,537	4,708,384
Support services	4,185,419	816,870	63,586	-	1,268,446	-	1,861,655	8,195,976
Community services	290,357	-	-	-	-	-	-	290,357
Nonprogrammed charges	528,072	-	-	-	-	-	-	528,072
Debt services	3,500,000	500,000	-	2,603,054	750,000	36,880	29,491	7,419,425
Total disbursements	13,110,695	1,316,870	63,586	2,603,054	2,018,446	36,880	1,992,683	21,142,214
Excess (deficiency) of receipts over disbursements	(680,136)	(227,470)	(63,586)	(60,760)	17,262	(15,734)	(1,028,232)	(2,058,656)
Other financing sources (uses):								
Transfers in	-	-	392,880	-	-	-	-	392,880
Transfers out	(183,079)	-	-	(209,801)	-	-	-	(392,880)
Total other financing sources (uses)	(183,079)	-	392,880	(209,801)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(863,215)	(227,470)	329,294	(270,561)	17,262	(15,734)	(1,028,232)	(2,058,656)
Cash and investments - beginning	4,222,143	558,036	491,054	1,026,578	668,825	29,351	2,017,209	9,013,196
Cash and investments - ending	\$ 3,358,928	\$ 330,566	\$ 820,348	\$ 756,017	\$ 686,087	\$ 13,617	\$ 988,977	\$ 6,954,540
Cash and Investment Assets - Ending								
Cash and investments	\$ 3,358,928	\$ 330,566	\$ 820,348	\$ -	\$ 686,087	\$ 13,617	\$ 979,327	\$ 6,188,873
Restricted assets:								
Cash and investments	-	-	-	756,017	-	-	9,650	765,667
Total cash and investment assets - ending	\$ 3,358,928	\$ 330,566	\$ 820,348	\$ 756,017	\$ 686,087	\$ 13,617	\$ 988,977	\$ 6,954,540
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 756,017	\$ -	\$ -	\$ 9,650	\$ 765,667
Unrestricted	3,358,928	330,566	820,348	-	686,087	13,617	979,327	6,188,873
Total cash and investment fund balance - ending	\$ 3,358,928	\$ 330,566	\$ 820,348	\$ 756,017	\$ 686,087	\$ 13,617	\$ 988,977	\$ 6,954,540

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 4,897,105	\$ 835,164	\$ -	\$ 2,054,932	\$ 1,479,979	\$ 86,718	\$ 692,476	\$ 10,046,374
Intermediate sources	-	-	-	-	-	-	1,031	1,031
State sources	5,344,030	-	-	-	-	-	60,523	5,404,553
Federal sources	-	-	-	-	-	-	193,572	193,572
Bonds and loans	4,000,000	700,000	-	1,300,000	1,200,000	-	-	7,200,000
Sale of property, adjustments and refunds	14,404	13,097	-	-	-	-	-	27,501
Total receipts	14,255,539	1,548,261	-	3,354,932	2,679,979	86,718	947,602	22,873,031
Disbursements:								
Current:								
Instruction	4,760,245	-	-	-	-	-	62,860	4,823,105
Support services	4,324,555	804,385	21,585	-	1,254,667	-	950,142	7,355,334
Community services	280,437	-	-	-	-	-	-	280,437
Nonprogrammed charges	553,997	-	-	-	-	-	-	553,997
Debt services	3,500,000	500,000	-	2,981,285	1,000,000	92,797	58,198	8,132,280
Total disbursements	13,419,234	1,304,385	21,585	2,981,285	2,254,667	92,797	1,071,200	21,145,153
Excess (deficiency) of receipts over disbursements	836,305	243,876	(21,585)	373,647	425,312	(6,079)	(123,598)	1,727,878
Other financing sources (uses):								
Transfers in	46,257	42,000	376,000	-	110,000	-	7,000	581,257
Transfers out	(189,403)	(42,000)	-	(116,000)	(160,000)	-	(73,854)	(581,257)
Total other financing sources (uses)	(143,146)	-	376,000	(116,000)	(50,000)	-	(66,854)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	693,159	243,876	354,415	257,647	375,312	(6,079)	(190,452)	1,727,878
Cash and investments - beginning	3,358,928	330,566	820,348	756,017	686,087	13,617	988,977	6,954,540
Cash and investments - ending	\$ 4,052,087	\$ 574,442	\$ 1,174,763	\$ 1,013,664	\$ 1,061,399	\$ 7,538	\$ 798,525	\$ 8,682,418
Cash and Investment Assets - Ending								
Cash and investments	\$ 4,052,087	\$ 574,442	\$ 1,174,763	\$ -	\$ 1,061,399	\$ 7,538	\$ 786,545	\$ 7,656,774
Restricted assets:								
Cash and investments	-	-	-	1,013,664	-	-	11,980	1,025,644
Total cash and investment assets - ending	\$ 4,052,087	\$ 574,442	\$ 1,174,763	\$ 1,013,664	\$ 1,061,399	\$ 7,538	\$ 798,525	\$ 8,682,418
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 1,013,664	\$ -	\$ -	\$ 11,980	\$ 1,025,644
Unrestricted	4,052,087	574,442	1,174,763	-	1,061,399	7,538	786,545	7,656,774
Total cash and investment fund balance - ending	\$ 4,052,087	\$ 574,442	\$ 1,174,763	\$ 1,013,664	\$ 1,061,399	\$ 7,538	\$ 798,525	\$ 8,682,418

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Employer	\$ 1,095,000	\$ -
Other	<u>-</u>	<u>23,880</u>
Total additions	<u>1,095,000</u>	<u>23,880</u>
Deductions:		
Benefits	1,620,685	-
Administrative and general	<u>-</u>	<u>29,279</u>
Total deductions	<u>1,620,685</u>	<u>29,279</u>
Deficiency of total additions over total deductions	(525,685)	(5,399)
Cash and investment fund balance - beginning	<u>1,052,984</u>	<u>21,764</u>
Cash and investment fund balance - ending	<u>\$ 527,299</u>	<u>\$ 16,365</u>
Net assets:		
Cash and investments held in trust	<u>\$ 527,299</u>	<u>\$ 16,365</u>

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 9,534
Deductions:		
Benefits	222,977	-
Administrative and general	<u>-</u>	<u>6,944</u>
Total deductions	<u>222,977</u>	<u>6,944</u>
Excess (deficiency) of total additions over total deductions	(222,977)	2,590
Cash and investment fund balance - beginning	<u>527,299</u>	<u>16,365</u>
Cash and investment fund balance - ending	<u>\$ 304,322</u>	<u>\$ 18,955</u>
Net assets:		
Cash and investments held in trust	<u>\$ 304,322</u>	<u>\$ 18,955</u>

The accompanying notes are an integral part of the financial information.

UNION TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

The Schedules of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, inter-governmental revenues, and other nonexchange revenues.

Fund Financial Schedules

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

The School Corporation reports the following major governmental funds:

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

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

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

UNION TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment and energy savings contracts.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay post-retirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit retirees' severance benefits.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial schedules are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial schedules.

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

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

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

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

UNION TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005-2006</u>	<u>2006-2007</u>
General Fund	Rainy Day Fund	\$ 183,079	\$ 189,403
Debt Service Fund	Rainy Day Fund	209,801	116,000
Capital Projects Fund	Rainy Day Fund	-	50,000
Capital Projects Fund	Capital Projects Fund	-	110,000
Transportation Operating	Transportation Operating	-	42,000
Other governmental funds	General Fund	-	46,257
Other governmental funds	Rainy Day Fund	-	20,597
Other governmental funds	Other governmental funds	-	7,000
Totals		<u>\$ 392,880</u>	<u>\$ 581,257</u>

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

UNION TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 7. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

UNION TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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.

Note 8. Subsequent Event

Tax Anticipation Warrants

On January 8, 2008, the School Corporation received \$5,000,000 in Tax Anticipation Warrants, due June 30, 2008, at 3% interest.

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2007. Tax bills were mailed on December 14, 2007, for the spring and fall installments, normally due in May and November. The taxes were due and payable in one installment with a due date of January 11, 2008. Officials anticipate receipt of the taxes collected sometime in March 2008.

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Education	School Lunch	Book Rental	Levy Excess	Union Center Elementary Playground Fund	License Plate Special	Safe Haven Grant
Receipts:							
Local sources	\$ 6,247	\$ 466,718	\$ 160,282	\$ 47,734	\$ 5,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	431	-
State sources	31,278	8,784	13,021	-	-	-	-
Federal sources	-	98,612	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>37,525</u>	<u>574,114</u>	<u>173,303</u>	<u>47,734</u>	<u>5,000</u>	<u>431</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	31,172	-	-	-	-	-	-
Support services	-	517,732	181,201	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>31,172</u>	<u>517,732</u>	<u>181,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6,353</u>	<u>56,382</u>	<u>(7,898)</u>	<u>47,734</u>	<u>5,000</u>	<u>431</u>	<u>-</u>
Cash and investments - beginning	<u>39,227</u>	<u>192,218</u>	<u>19,134</u>	<u>-</u>	<u>-</u>	<u>7,519</u>	<u>-</u>
Cash and investments - ending	<u>\$ 45,580</u>	<u>\$ 248,600</u>	<u>\$ 11,236</u>	<u>\$ 47,734</u>	<u>\$ 5,000</u>	<u>\$ 7,950</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 45,580	\$ 248,600	\$ 11,236	\$ 47,734	\$ 5,000	\$ 7,950	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 45,580</u>	<u>\$ 248,600</u>	<u>\$ 11,236</u>	<u>\$ 47,734</u>	<u>\$ 5,000</u>	<u>\$ 7,950</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>45,580</u>	<u>248,600</u>	<u>11,236</u>	<u>47,734</u>	<u>5,000</u>	<u>7,950</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 45,580</u>	<u>\$ 248,600</u>	<u>\$ 11,236</u>	<u>\$ 47,734</u>	<u>\$ 5,000</u>	<u>\$ 7,950</u>	<u>\$ -</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Gifted and Talented	Non-English Speaking Grant	Buddy System Grant	Title I	Title V	Drug Free School Grant	Project Lead The Way
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,078	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	533	1,000	-	-	-	-
Federal sources	-	-	-	52,034	10,231	4,272	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	533	1,000	52,034	10,231	6,350	-
Disbursements:							
Current:							
Instruction	-	346	-	47,136	9,865	6,809	1,195
Support services	-	-	1,018	1,784	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	346	1,018	48,920	9,865	6,809	1,195
Excess (deficiency) of receipts over disbursements	-	187	(18)	3,114	366	(459)	(1,195)
Cash and investments - beginning	-	-	728	-	666	2,820	1,195
Cash and investments - ending	\$ -	\$ 187	\$ 710	\$ 3,114	\$ 1,032	\$ 2,361	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 187	\$ 710	\$ 3,114	\$ 1,032	\$ 2,361	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 187	\$ 710	\$ 3,114	\$ 1,032	\$ 2,361	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	187	710	3,114	1,032	2,361	-
Total cash and investment fund balance - ending	\$ -	\$ 187	\$ 710	\$ 3,114	\$ 1,032	\$ 2,361	\$ -

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Emergency Impact Aid	Title II, Part A	Title II, Part D	Carl Perkins HS	Retirement Bonds	Construction	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 39,141	\$ -	\$ 727,200
Intermediate sources	-	-	-	-	-	-	431
State sources	1,000	-	-	-	-	-	55,616
Federal sources	-	10,000	2,357	-	-	-	177,506
Sale of property, adjustments and refunds	-	-	-	-	-	3,698	3,698
Total receipts	1,000	10,000	2,357	-	39,141	3,698	964,451
Disbursements:							
Current:							
Instruction	-	2,764	-	2,250	-	-	101,537
Support services	-	-	-	-	-	1,159,920	1,861,655
Debt services	-	-	-	-	29,491	-	29,491
Total disbursements	-	2,764	-	2,250	29,491	1,159,920	1,992,683
Excess (deficiency) of receipts over disbursements	1,000	7,236	2,357	(2,250)	9,650	(1,156,222)	(1,028,232)
Cash and investments - beginning	-	-	-	2,500	-	1,751,202	2,017,209
Cash and investments - ending	<u>1,000</u>	<u>7,236</u>	<u>2,357</u>	<u>250</u>	<u>9,650</u>	<u>594,980</u>	<u>988,977</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,000	\$ 7,236	\$ 2,357	\$ 250	\$ -	\$ 594,980	\$ 979,327
Restricted assets:							
Cash and investments	-	-	-	-	9,650	-	9,650
Total cash and investment assets - ending	<u>1,000</u>	<u>7,236</u>	<u>2,357</u>	<u>250</u>	<u>9,650</u>	<u>594,980</u>	<u>988,977</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 9,650	\$ -	\$ 9,650
Unrestricted	1,000	7,236	2,357	250	-	594,980	979,327
Total cash and investment fund balance - ending	<u>1,000</u>	<u>7,236</u>	<u>2,357</u>	<u>250</u>	<u>9,650</u>	<u>594,980</u>	<u>988,977</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education	School Lunch	Book Rental	Levy Excess	Union Center Elementary Playground Fund	License Plate Special	Gifted and Talented
Receipts:							
Local sources	\$ 9,843	\$ 448,091	\$ 172,014	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	1,031	-
State sources	22,995	8,579	13,650	-	-	-	13,015
Federal sources	-	106,987	-	-	-	-	-
Total receipts	<u>32,838</u>	<u>563,657</u>	<u>185,664</u>	<u>-</u>	<u>-</u>	<u>1,031</u>	<u>13,015</u>
Disbursements:							
Current:							
Instruction	32,062	-	-	-	-	-	918
Support services	-	532,943	185,646	-	4,852	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>32,062</u>	<u>532,943</u>	<u>185,646</u>	<u>-</u>	<u>4,852</u>	<u>-</u>	<u>918</u>
Excess (deficiency) of receipts over disbursements	<u>776</u>	<u>30,714</u>	<u>18</u>	<u>-</u>	<u>(4,852)</u>	<u>1,031</u>	<u>12,097</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(12,097)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,097)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	776	30,714	18	-	(4,852)	1,031	-
Cash and investments - beginning	<u>45,580</u>	<u>248,600</u>	<u>11,236</u>	<u>47,734</u>	<u>5,000</u>	<u>7,950</u>	<u>-</u>
Cash and investments - ending	<u>\$ 46,356</u>	<u>\$ 279,314</u>	<u>\$ 11,254</u>	<u>\$ 47,734</u>	<u>\$ 148</u>	<u>\$ 8,981</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 46,356	\$ 279,314	\$ 11,254	\$ 47,734	\$ 148	\$ 8,981	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 46,356</u>	<u>\$ 279,314</u>	<u>\$ 11,254</u>	<u>\$ 47,734</u>	<u>\$ 148</u>	<u>\$ 8,981</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	46,356	279,314	11,254	47,734	148	8,981	-
Total cash and investment fund balance - ending	<u>\$ 46,356</u>	<u>\$ 279,314</u>	<u>\$ 11,254</u>	<u>\$ 47,734</u>	<u>\$ 148</u>	<u>\$ 8,981</u>	<u>\$ -</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Non-English Speaking Grant	Buddy System Grant	Title I	Title V	Drug Free School Grant	Emergency Impact Aid
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	1,784	-	-	-	-	500
Federal sources	-	-	55,115	2,135	3,491	-
Total receipts	<u>1,784</u>	<u>-</u>	<u>55,115</u>	<u>2,135</u>	<u>5,491</u>	<u>500</u>
Disbursements:						
Current:						
Instruction	-	-	1,720	-	6,348	-
Support services	-	710	1,752	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>710</u>	<u>3,472</u>	<u>-</u>	<u>6,348</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,784</u>	<u>(710)</u>	<u>51,643</u>	<u>2,135</u>	<u>(857)</u>	<u>500</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(54,757)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(54,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,784</u>	<u>(710)</u>	<u>(3,114)</u>	<u>2,135</u>	<u>(857)</u>	<u>500</u>
Cash and investments - beginning	<u>187</u>	<u>710</u>	<u>3,114</u>	<u>1,032</u>	<u>2,361</u>	<u>1,000</u>
Cash and investments - ending	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,167</u>	<u>\$ 1,504</u>	<u>\$ 1,500</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,971	\$ -	\$ -	\$ 3,167	\$ 1,504	\$ 1,500
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,167</u>	<u>\$ 1,504</u>	<u>\$ 1,500</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,971	-	-	3,167	1,504	1,500
Total cash and investment fund balance - ending	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,167</u>	<u>\$ 1,504</u>	<u>\$ 1,500</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II, Part A	Title II, Part D	Carl Perkins HS	Retirement Bonds	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 60,528	\$ -	\$ 692,476
Intermediate sources	-	-	-	-	-	1,031
State sources	-	-	-	-	-	60,523
Federal sources	<u>23,344</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>193,572</u>
Total receipts	<u>23,344</u>	<u>-</u>	<u>2,500</u>	<u>60,528</u>	<u>-</u>	<u>947,602</u>
Disbursements:						
Current:						
Instruction	19,520	2,150	142	-	-	62,860
Support services	-	-	-	-	224,239	950,142
Debt services	-	-	-	58,198	-	58,198
Total disbursements	<u>19,520</u>	<u>2,150</u>	<u>142</u>	<u>58,198</u>	<u>224,239</u>	<u>1,071,200</u>
Excess (deficiency) of receipts over disbursements	<u>3,824</u>	<u>(2,150)</u>	<u>2,358</u>	<u>2,330</u>	<u>(224,239)</u>	<u>(123,598)</u>
Other financing sources (uses):						
Transfers in	-	-	-	7,000	-	7,000
Transfers out	-	-	-	(7,000)	-	(73,854)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,854)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,824</u>	<u>(2,150)</u>	<u>2,358</u>	<u>2,330</u>	<u>(224,239)</u>	<u>(190,452)</u>
Cash and investments - beginning	<u>7,236</u>	<u>2,357</u>	<u>250</u>	<u>9,650</u>	<u>594,980</u>	<u>988,977</u>
Cash and investments - ending	<u>\$ 11,060</u>	<u>\$ 207</u>	<u>\$ 2,608</u>	<u>\$ 11,980</u>	<u>\$ 370,741</u>	<u>\$ 798,525</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 11,060	\$ 207	\$ 2,608	\$ -	\$ 370,741	\$ 786,545
Restricted assets:						
Cash and investments	-	-	-	11,980	-	11,980
Total cash and investment assets - ending	<u>\$ 11,060</u>	<u>\$ 207</u>	<u>\$ 2,608</u>	<u>\$ 11,980</u>	<u>\$ 370,741</u>	<u>\$ 798,525</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 11,980	\$ -	\$ 11,980
Unrestricted	<u>11,060</u>	<u>207</u>	<u>2,608</u>	<u>-</u>	<u>370,741</u>	<u>786,545</u>
Total cash and investment fund balance - ending	<u>\$ 11,060</u>	<u>\$ 207</u>	<u>\$ 2,608</u>	<u>\$ 11,980</u>	<u>\$ 370,741</u>	<u>\$ 798,525</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2006

	<u>Retirement/ Severance Bond</u>	<u>Postretirement/ Severance Future Benefit</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 1,095,000	\$ -	\$ 1,095,000
Deductions:			
Benefits	<u>1,620,561</u>	<u>124</u>	<u>1,620,685</u>
Deficiency of total additions under total deductions	(525,561)	(124)	(525,685)
Cash and investment fund balance - beginning	<u>562,984</u>	<u>490,000</u>	<u>1,052,984</u>
Cash and investment fund balance - ending	<u>\$ 37,423</u>	<u>\$ 489,876</u>	<u>\$ 527,299</u>
Net assets:			
Cash and investments held in trust	<u>\$ 37,423</u>	<u>\$ 489,876</u>	<u>\$ 527,299</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Postretirement/ Severance Future Benefit	Totals
Additions:			
Total additions	\$ -	\$ -	\$ -
Deductions:			
Benefits	37,423	185,554	222,977
Deficiency of total additions under total deductions	(37,423)	(185,554)	(222,977)
Cash and investment fund balance - beginning	37,423	489,876	527,299
Cash and investment fund balance - ending	\$ -	\$ 304,322	\$ 304,322
Net assets:			
Cash and investments held in trust	\$ -	\$ 304,322	\$ 304,322

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	<u>Cultural Arts</u>	<u>Scholarship</u>	<u>CISCO</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 1,700	\$ 5,000	\$ 17,180	\$ 23,880
Deductions:				
Administrative and general	<u>5,155</u>	<u>2,000</u>	<u>22,124</u>	<u>29,279</u>
Excess (deficiency) of total additions over total deductions	(3,455)	3,000	(4,944)	(5,399)
Cash and investment fund balance - beginning	<u>11,476</u>	<u>5,000</u>	<u>5,288</u>	<u>21,764</u>
Cash and investments - June 30	<u>\$ 8,021</u>	<u>\$ 8,000</u>	<u>\$ 344</u>	<u>\$ 16,365</u>
Net assets:				
Cash and investments held in trust	<u>\$ 8,021</u>	<u>\$ 8,000</u>	<u>\$ 344</u>	<u>\$ 16,365</u>

UNION TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	<u>Cultural Arts</u>	<u>Scholarship</u>	<u>CISCO</u>	<u>Special Programs</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 330	\$ -	\$ 2,700	\$ 6,504	\$ 9,534
Deductions:					
Administrative and general	2,400	1,500	3,044	-	6,944
Excess (deficiency) of total additions over total deductions	(2,070)	(1,500)	(344)	6,504	2,590
Cash and investment fund balance - beginning	8,021	8,000	344	-	16,365
Cash and investments - June 30	<u>\$ 5,951</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ 6,504</u>	<u>\$ 18,955</u>
Net assets:					
Cash and investments held in trust	<u>\$ 5,951</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ 6,504</u>	<u>\$ 18,955</u>

UNION TOWNSHIP SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 522,588
Infrastructure	493,907
Buildings	23,563,411
Improvements other than buildings	886,061
Machinery and equipment	<u>3,686,344</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 29,152,311</u>

UNION TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
1992 WHS lease (high school)	\$ 465,000	\$ 321,210
1998 WHS/MS lease (renovation/addition)	15,178,494	1,267,096
Notes and loans payable	431,201	183,676
Bonds payable:		
General obligation bonds:		
2004 GO Bond (UCE classrooms/renovate)	1,990,000	89,400
2003 School Pension Bonds	500,000	65,251
2006 School Pension Bonds	<u>1,095,000</u>	<u>96,931</u>
Total governmental activities debt	<u>\$ 19,659,695</u>	<u>\$ 2,023,564</u>

UNION TOWNSHIP SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2008, with John E. Hunter, Superintendent of Schools; Pamela S. Buksar, Treasurer; and Theresa Boehlke, President of the School Board.