

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

AUDIT REPORT
OF

HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION
HUNTINGTON COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

03/27/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra Bailey	07-01-06 to 11-26-06
	Aimee N. Johnson	11-27-06 to 09-12-08
	David M. McKee	09-13-08 to 10-26-08
	Sheila Howe	10-27-08 to 06-30-09
Superintendent of Schools	Tracey R. Shafer	07-01-06 to 06-30-09
President of the School Board	Robert J. Kyle	07-01-06 to 06-30-07
	Kevin E. Patrick	07-01-07 to 06-30-09



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

TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Huntington County Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Huntington County Community School Corporation Employee Health Plan, a component unit of the School Corporation, as discussed in Note I A. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for this unit, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated March 11, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 11, 2009



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

TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Huntington County Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

March 11, 2009

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 29,172,512	\$ -	\$ 209,598	\$ (28,962,914)
Support services	18,371,288	1,664,312	1,088,533	(15,618,443)
Community services	478,706	-	-	(478,706)
Nonprogrammed charges	167,258	-	-	(167,258)
Debt service	11,878,391	-	-	(11,878,391)
Total governmental activities	\$ 60,068,155	\$ 1,664,312	\$ 1,298,131	(57,105,712)
General receipts:				
Property taxes				22,086,582
Other local sources				3,887,370
State aid				24,253,237
Bonds and loans				6,750,000
Grants and contributions not restricted to specific programs				3,341,142
Sale of property, adjustments, and refunds				147,824
Investment earnings				524,145
Total general receipts				60,990,300
Change in net assets				3,884,588
Net assets - beginning				14,210,711
Net assets - ending				\$ 18,095,299
<u>Assets</u>				
Cash and investments				\$ 13,954,609
Restricted assets:				
Cash and investments				4,140,690
Total assets				\$ 18,095,299
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,140,690
Unrestricted				13,954,609
Total net assets				\$ 18,095,299

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 27,934,126	\$ -	\$ 278,332	\$ (27,655,794)
Support services	20,651,376	1,634,381	1,239,849	(17,777,146)
Community services	514,063	-	-	(514,063)
Nonprogrammed charges	123,543	-	-	(123,543)
Debt service	<u>12,617,795</u>	<u>-</u>	<u>-</u>	<u>(12,617,795)</u>
Total governmental activities	<u>\$ 61,840,903</u>	<u>\$ 1,634,381</u>	<u>\$ 1,518,181</u>	<u>(58,688,341)</u>
General receipts:				
Property taxes				12,419,702
Other local sources				2,840,210
State aid				23,157,611
Bonds and loans				4,992,000
Grants and contributions not restricted to specific programs				3,469,303
Sale of property, adjustments, and refunds				93,267
Investment earnings				<u>457,470</u>
Total general receipts				<u>47,429,563</u>
Change in net assets				(11,258,778)
Net assets - beginning				<u>18,095,299</u>
Net assets - ending				<u>\$ 6,836,521</u>
<u>Assets</u>				
Cash and investments				\$ 6,091,355
Restricted assets:				
Cash and investments				<u>745,166</u>
Total assets				<u>\$ 6,836,521</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 745,166
Unrestricted				<u>6,091,355</u>
Total net assets				<u>\$ 6,836,521</u>

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 11,711,089	\$ 2,990,869	\$ 5,698,221	\$ 4,690,063	\$ 354,197	\$ 2,714,821	\$ 28,159,260
Intermediate sources	1,421	-	-	-	-	1,725	3,146
State sources	24,441,778	-	-	-	-	340,049	24,781,827
Federal sources	-	-	-	-	-	4,110,686	4,110,686
Bonds and loans	4,545,000	1,065,000	1,140,000	-	-	-	6,750,000
Sale of property, adjustments and refunds	77,583	25,018	-	45,223	-	-	147,824
Total receipts	40,776,871	4,080,887	6,838,221	4,735,286	354,197	7,167,281	63,952,743
Disbursements:							
Current:							
Instruction	27,307,609	-	-	-	-	1,864,903	29,172,512
Support services	7,804,109	2,866,371	-	3,341,981	340,968	4,017,859	18,371,288
Community services	474,560	-	-	-	-	4,146	478,706
Nonprogrammed charges	167,258	-	-	-	-	-	167,258
Debt services	6,050,751	504,131	4,827,909	-	-	495,600	11,878,391
Total disbursements	41,804,287	3,370,502	4,827,909	3,341,981	340,968	6,382,508	60,068,155
Excess (deficiency) of receipts over disbursements	(1,027,416)	710,385	2,010,312	1,393,305	13,229	784,773	3,884,588
Other financing sources (uses):							
Transfers in	226,961	138,085	31,787	24,926	1,598	290,232	713,589
Transfers out	-	-	(122,268)	-	-	(591,321)	(713,589)
Total other financing sources (uses)	226,961	138,085	(90,481)	24,926	1,598	(301,089)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(800,455)	848,470	1,919,831	1,418,231	14,827	483,684	3,884,588
Cash and investments - beginning	7,700,596	624,141	1,911,764	2,567,645	172,017	1,234,548	14,210,711
Cash and investments - ending	\$ 6,900,141	\$ 1,472,611	\$ 3,831,595	\$ 3,985,876	\$ 186,844	\$ 1,718,232	\$ 18,095,299
Cash and Investment Assets - Ending							
Cash and investments	\$ 6,900,141	\$ 1,472,611	\$ -	\$ 3,985,876	\$ 186,844	\$ 1,409,137	\$ 13,954,609
Restricted assets:							
Cash and investments	-	-	3,831,595	-	-	309,095	4,140,690
Total cash and investment assets - ending	\$ 6,900,141	\$ 1,472,611	\$ 3,831,595	\$ 3,985,876	\$ 186,844	\$ 1,718,232	\$ 18,095,299
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 3,831,595	\$ -	\$ -	\$ 309,095	\$ 4,140,690
Unrestricted	6,900,141	1,472,611	-	3,985,876	186,844	1,409,137	13,954,609
Total cash and investment fund balance - ending	\$ 6,900,141	\$ 1,472,611	\$ 3,831,595	\$ 3,985,876	\$ 186,844	\$ 1,718,232	\$ 18,095,299

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 7,115,498	\$ 1,696,370	\$ 3,300,986	\$ 2,657,385	\$ 237,593	\$ 2,341,682	\$ 17,349,514
Intermediate sources	1,421	-	-	-	-	825	2,246
State sources	23,421,940	-	-	-	-	483,885	23,905,825
Federal sources	3,258	-	-	-	-	4,236,015	4,239,273
Bonds and loans	4,080,000	912,000	-	-	-	-	4,992,000
Sale of property, adjustments and refunds	84,145	6,622	-	2,500	-	-	93,267
Total receipts	34,706,262	2,614,992	3,300,986	2,659,885	237,593	7,062,407	50,582,125
Disbursements:							
Current:							
Instruction	26,001,973	-	-	-	-	1,932,153	27,934,126
Support services	8,062,736	2,748,704	-	4,846,671	377,811	4,615,454	20,651,376
Community services	505,023	-	-	-	-	9,040	514,063
Nonprogrammed charges	123,543	-	-	-	-	-	123,543
Debt services	4,545,000	1,065,000	6,363,909	-	-	643,886	12,617,795
Total disbursements	39,238,275	3,813,704	6,363,909	4,846,671	377,811	7,200,533	61,840,903
Deficiency of receipts over disbursements	(4,532,013)	(1,198,712)	(3,062,923)	(2,186,786)	(140,218)	(138,126)	(11,258,778)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	206,999	206,999
Transfers out	-	-	(43,528)	-	-	(163,471)	(206,999)
Total other financing sources (uses)	-	-	(43,528)	-	-	43,528	-
Deficiency of receipts and other financing sources over disbursements and other financing uses	(4,532,013)	(1,198,712)	(3,106,451)	(2,186,786)	(140,218)	(94,598)	(11,258,778)
Cash and investments - beginning	6,900,141	1,472,611	3,831,595	3,985,876	186,844	1,718,232	18,095,299
Cash and investments - ending	<u>\$ 2,368,128</u>	<u>\$ 273,899</u>	<u>\$ 725,144</u>	<u>\$ 1,799,090</u>	<u>\$ 46,626</u>	<u>\$ 1,623,634</u>	<u>\$ 6,836,521</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,368,128	\$ 273,899	\$ -	\$ 1,799,090	\$ 46,626	\$ 1,603,612	\$ 6,091,355
Restricted assets:							
Cash and investments	-	-	725,144	-	-	20,022	745,166
Total cash and investment assets - ending	<u>\$ 2,368,128</u>	<u>\$ 273,899</u>	<u>\$ 725,144</u>	<u>\$ 1,799,090</u>	<u>\$ 46,626</u>	<u>\$ 1,623,634</u>	<u>\$ 6,836,521</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 725,144	\$ -	\$ -	\$ 20,022	\$ 745,166
Unrestricted	<u>2,368,128</u>	<u>273,899</u>	<u>-</u>	<u>1,799,090</u>	<u>46,626</u>	<u>1,603,612</u>	<u>6,091,355</u>
Total cash and investment fund balance - ending	<u>\$ 2,368,128</u>	<u>\$ 273,899</u>	<u>\$ 725,144</u>	<u>\$ 1,799,090</u>	<u>\$ 46,626</u>	<u>\$ 1,623,634</u>	<u>\$ 6,836,521</u>

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT 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>	<u>Employee Health Plan *</u>
Additions:			
Contributions:			
Employer	\$ -	\$ -	\$ 5,191,475
Other	<u>270,000</u>	<u>99,572</u>	<u>42,165</u>
Total contributions	<u>270,000</u>	<u>99,572</u>	<u>5,233,640</u>
Investment earnings:			
Net increase in fair value of investments	-	-	56,021
Gain on sale of investment	-	-	14,862
Interest	-	961	121,504
Dividends	-	-	<u>15,950</u>
Total investment earnings	<u>-</u>	<u>961</u>	<u>208,337</u>
Total additions	<u>270,000</u>	<u>100,533</u>	<u>5,441,977</u>
Deductions:			
Benefits	195,675	-	4,700,025
Administrative and general	<u>-</u>	<u>101,091</u>	<u>519,327</u>
Total deductions	<u>195,675</u>	<u>101,091</u>	<u>5,219,352</u>
Excess (deficiency) of total additions over total deductions	74,325	(558)	222,625
Cash and investment fund balance - beginning	<u>930,520</u>	<u>197,184</u>	<u>2,995,821</u>
Cash and investment fund balance - ending	<u>\$ 1,004,845</u>	<u>\$ 196,626</u>	<u>\$ 3,218,446</u>
Net assets:			
Cash and investments	<u>\$ 1,004,845</u>	<u>\$ 196,626</u>	<u>\$ 3,218,446</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,004,845</u>	<u>\$ 196,626</u>	<u>\$ 3,218,446</u>

*Includes a component unit that has a December 31 year end.

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Employee Health Plan *</u>
Additions:			
Contributions:			
Employer	\$ -	\$ -	\$ 5,464,625
Other	-	59,963	-
Total contributions	<u>-</u>	<u>59,963</u>	<u>5,464,625</u>
Investment earnings:			
Net increase in fair value of investments	-	-	59,265
Gain on sale of investment	-	-	2,660
Interest	-	177	126,452
Dividends	-	-	19,696
Total investment earnings	<u>-</u>	<u>177</u>	<u>208,073</u>
Total additions	<u>-</u>	<u>60,140</u>	<u>5,672,698</u>
Deductions:			
Benefits	208,400	-	5,670,182
Administrative and general	-	86,309	511,733
Total deductions	<u>208,400</u>	<u>86,309</u>	<u>6,181,915</u>
Deficiency of total additions over total deductions	(208,400)	(26,169)	(509,217)
Cash and investment fund balance - beginning	<u>1,004,845</u>	<u>196,626</u>	<u>3,218,446</u>
Cash and investment fund balance - ending	<u>\$ 796,445</u>	<u>\$ 170,457</u>	<u>\$ 2,709,229</u>
Net assets:			
Cash and investments	<u>\$ 796,445</u>	<u>\$ 170,457</u>	<u>\$ 2,709,229</u>
Total net assets - cash and investment basis held in trust	<u>\$ 796,445</u>	<u>\$ 170,457</u>	<u>\$ 2,709,229</u>

*Includes a component unit that has a December 31 year end.

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the following:

Primary Government:	School Corporation
Blended Component Unit:	Huntington County Community School Corporation Employee Health Plan (Employee Health)

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the School Corporation's governing body or the component unit provides services entirely to the School Corporation. The component unit's funds are blended into those of the School Corporation by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>	<u>Fund Included In</u>
Huntington County Community School Corporation Employee Health Plan	The primary government appoints a voting majority of the Employee Health Plan's board and is able to impose its will. Although it is legally separate from the School Corporation, the Employee Health Plan is reported as if it were a part of the School Corporation because it provides services entirely or almost entirely to the School Corporation.	Employee Health Plan Fund

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Joint Venture

The School Corporation is a participant with Adams Central Community Schools, North Adams Community Schools, Northern Wells Community Schools, South Adams Schools, Southern Wells Community Schools, Jay School Corporation, and Bluffton-Harrison Metropolitan School District in a joint venture to operate the Vocational Area 18 Cooperative (Co-op) which was created to provide occupational training to students. The Co-op's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Co-op can be obtained from the Co-op's administrative office at 805 E. Harrison, Bluffton, IN 46714.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

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

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

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation reports the following fund types:

The employee health plan fund reports a trust agreement under which the School Corporation transfers funds to cover the costs of medical benefits for employees.

The pension trust funds account for the activities of the post-retirement/severance future benefit fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the type of individuals or activities for which it has been established.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. 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.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts

Program Receipts

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

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	June 30, 2007	June 30, 2008
IN School Improvement Awards	\$ -	\$ 1,097
Preschool HA 06/07	11,988	-
Preschool 07/08	-	4,268
Adult Education Federal	100	100
Adult Education 06/07	-	601
HNSH Construction Project 2008	-	49,100
Riverview Classroom Ed Grant	2	2
Area 18 Reimbursement	4,925	1,229

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the timing of grant awards and construction loan proceeds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Debt Service Fund	Transportation Operating Fund	\$ 122,268	\$ -
Debt Service Fund	Other governmental funds	-	43,528
Other governmental funds	General Fund	226,961	-
Other governmental funds	Transportation Operating Fund	15,817	-
Other governmental funds	Debt Service Fund	31,787	-
Other governmental funds	Capital Projects Fund	24,926	-
Other governmental funds	School Bus Replacement Fund	1,598	-
Other governmental funds	Other governmental funds	<u>290,232</u>	<u>163,471</u>
Totals		<u>\$ 713,589</u>	<u>\$ 206,999</u>

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

C. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2006	Fund Reclassification	Balance as Restated July 1, 2006
Governmental Funds	\$ 14,218,997	\$ (8,286)	\$ 14,210,711
Private-Purpose Trust Funds	188,898	8,286	197,184

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Huntington County Community School Corporation Employee Health Plan Fund, a component unit of the School Corporation, where assets are set aside for claim settlements. A fiduciary fund has been included to report its activity. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program.

B. Holding Corporations

The School Corporation has entered into a capital leases with the Huntington Countywide School Building Corporation and the Huntington Countywide School Building Corporation II (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease payments during the years ending June 30, 2007 and 2008, totaled \$3,786,000 and \$4,388,000, respectively.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Termination Benefits

The School Corporation offered an early retirement incentive to certified teachers who retired prior to the 2007-2008 school year. To be eligible a teacher had to meet the following requirements: (1) Be a least fifty-five years of age before July 1 of the school year; (2) Have at least twenty years of teaching experience with not less than ten of the immediate twelve years with this school corporation; (3) Provide a written application of permanent retirement. Teachers meeting these requirements receive \$6,000 per school year through the school year in which they reach the age of sixty-two. During the 2007-2008 school year, the School Corporation paid \$144,000 to twenty-four retirees for this benefit.

D. Other Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment medical coverage benefits, as authorized by Indiana Code 5-10-8, to certified teachers that were eligible for retirement and retired at the end of the 2006-2007, 2007-2008, or 2008-2009 school years. Currently, thirty-four retirees meet these eligibility requirements. The School Corporation provides 100% minus \$1 of these postemployment benefits. These benefits will be provided through the 2009-2010 school year. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$103,844 were recognized for postemployment benefits.

E. Subsequent Events

The School Corporation entered into a Common School Fund loan on December 4, 2008, for \$990,000 to be repaid over two years. The loan proceeds are to be used for the Huntington North High School renovations.

F. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 325,154
Interest on net pension obligation	(46,019)
Adjustment to annual required contribution	52,442
Annual pension cost	331,577
Contributions made	361,276
Decrease in net pension obligation	(29,699)
Net pension obligation, beginning of year	(634,740)
Net pension obligation, end of year	\$ (664,439)

	PERF
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 260,886	140%	\$ (615,609)
	06-30-06	330,105	106%	(634,740)
	06-30-07	331,577	109%	(664,439)

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

Teachers' Retirement Fund

Plan Description

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

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

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7.25% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$666,175, \$592,584, and \$628,756, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 5,404,960	\$ 6,294,626	\$ (889,666)	86%	\$ 4,748,412	(19%)
07-01-06	5,935,366	6,239,906	(304,540)	95%	4,711,723	(6%)
07-01-07	6,185,692	6,408,635	(222,943)	97%	4,750,733	(5%)

HUNTINGTON COUNTY COMMUNITY 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 Preschool	Food Service	Textbook Rental	Levy Excess	Education License Plate	Alternative Education	Safe School Haven
Receipts:							
Local sources	\$ 32,425	\$ 1,641,506	\$ 446,522	\$ -	\$ -	\$ 18,676	\$ -
Intermediate sources	-	-	-	-	1,725	-	-
State sources	175,863	32,709	68,772	-	-	4,762	-
Federal sources	-	980,308	-	-	-	-	-
Total receipts	208,288	2,654,523	515,294	-	1,725	23,438	-
Disbursements:							
Current:							
Instruction	72,530	-	-	-	-	2,088	-
Support services	-	2,529,486	489,562	-	-	2,517	12,944
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	72,530	2,529,486	489,562	-	-	4,605	12,944
Excess (deficiency) of receipts over disbursements	135,758	125,037	25,732	-	1,725	18,833	(12,944)
Other financing sources (uses):							
Transfers in	182	-	-	-	-	-	-
Transfers out	(21,815)	-	-	(140,917)	-	-	-
Total other financing sources (uses)	(21,633)	-	-	(140,917)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	114,125	125,037	25,732	(140,917)	1,725	18,833	(12,944)
Cash and investments - beginning	206,361	171,560	248,354	140,917	13,247	(14,071)	12,944
Cash and investments - ending	\$ 320,486	\$ 296,597	\$ 274,086	\$ -	\$ 14,972	\$ 4,762	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 320,486	\$ 296,597	\$ 274,086	\$ -	\$ 14,972	\$ 4,762	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 320,486	\$ 296,597	\$ 274,086	\$ -	\$ 14,972	\$ 4,762	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	320,486	296,597	274,086	-	14,972	4,762	-
Total cash and investment fund balance - ending	\$ 320,486	\$ 296,597	\$ 274,086	\$ -	\$ 14,972	\$ 4,762	\$ -

HUNTINGTON COUNTY COMMUNITY 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)

	Gifted/ Talented 06/07	Gifted/ Talented 05/06	Medicaid Reimbursement	Title III Limited English	Non-English Speaking Program	School Technology	IN School Improvement Award
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 1,739	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	22,223	-	2,226	-	255	33,239	-
Federal sources	-	-	72	-	-	-	-
Total receipts	22,223	-	2,298	1,739	255	33,239	-
Disbursements:							
Current:							
Instruction	520	4,585	-	-	-	-	-
Support services	-	-	-	-	-	-	1,567
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	520	4,585	-	-	-	-	1,567
Excess (deficiency) of receipts over disbursements	21,703	(4,585)	2,298	1,739	255	33,239	(1,567)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(519)	-	-	-	-
Total other financing sources (uses)	-	-	(519)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,703	(4,585)	1,779	1,739	255	33,239	(1,567)
Cash and investments - beginning	-	4,585	-	-	842	9,486	11,701
Cash and investments - ending	\$ 21,703	\$ -	\$ 1,779	\$ 1,739	\$ 1,097	\$ 42,725	\$ 10,134
Cash and Investment Assets - Ending							
Cash and investments	\$ 21,703	\$ -	\$ 1,779	\$ 1,739	\$ 1,097	\$ 42,725	\$ 10,134
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 21,703	\$ -	\$ 1,779	\$ 1,739	\$ 1,097	\$ 42,725	\$ 10,134
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	21,703	-	1,779	1,739	1,097	42,725	10,134
Total cash and investment fund balance - ending	\$ 21,703	\$ -	\$ 1,779	\$ 1,739	\$ 1,097	\$ 42,725	\$ 10,134

HUNTINGTON COUNTY COMMUNITY 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 I Andrews	Title I 05/06	Title I 06/07	Delinquent Child 05/06	Delinquent Child 06/07	Delinquent Child 04/05	Title V Part A 04/05
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	55,974	50,000	598,851	2,132	6,337	-	20,667
Total receipts	55,974	50,000	598,851	2,132	6,337	-	20,667
Disbursements:							
Current:							
Instruction	1,735	21,640	419,391	593	4,242	-	-
Support services	34,100	261	21,333	-	18,657	-	23,558
Community services	-	-	4,146	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	35,835	21,901	444,870	593	22,899	-	23,558
Excess (deficiency) of receipts over disbursements	20,139	28,099	153,981	1,539	(16,562)	-	(2,891)
Other financing sources (uses):							
Transfers in	-	-	39,419	-	16,562	-	-
Transfers out	-	(39,419)	-	(13,474)	-	(3,088)	-
Total other financing sources (uses)	-	(39,419)	39,419	(13,474)	16,562	(3,088)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,139	(11,320)	193,400	(11,935)	-	(3,088)	(2,891)
Cash and investments - beginning	-	11,320	-	12,067	-	3,088	12,086
Cash and investments - ending	\$ 20,139	\$ -	\$ 193,400	\$ 132	\$ -	\$ -	\$ 9,195
Cash and Investment Assets - Ending							
Cash and investments	\$ 20,139	\$ -	\$ 193,400	\$ 132	\$ -	\$ -	\$ 9,195
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 20,139	\$ -	\$ 193,400	\$ 132	\$ -	\$ -	\$ 9,195
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,139	-	193,400	132	-	-	9,195
Total cash and investment fund balance - ending	\$ 20,139	\$ -	\$ 193,400	\$ 132	\$ -	\$ -	\$ 9,195

HUNTINGTON COUNTY COMMUNITY 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)

	IDEA Grant 06/07	IDEA Grant 05/06	IDEA Sliver 05/06	IDEA Grant 05/06	IDEA C.O. 06/07	Preschool HA 06/07	Preschool C.O. 06/07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	1,554,330	-	5,063	469,934	-	66,680	-
Total receipts	1,554,330	-	5,063	469,934	-	66,680	-
Disbursements:							
Current:							
Instruction	935,419	1,936	-	150,380	107,273	78,668	3,374
Support services	490,453	82,625	13,397	79,389	67,531	-	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,425,872	84,561	13,397	229,769	174,804	78,668	3,374
Excess (deficiency) of receipts over disbursements	128,458	(84,561)	(8,334)	240,165	(174,804)	(11,988)	(3,374)
Other financing sources (uses):							
Transfers in	-	-	-	-	202,401	-	-
Transfers out	-	-	-	(202,401)	-	-	-
Total other financing sources (uses)	-	-	-	(202,401)	202,401	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	128,458	(84,561)	(8,334)	37,764	27,597	(11,988)	(3,374)
Cash and investments - beginning	-	84,561	8,334	(37,764)	-	-	3,374
Cash and investments - ending	\$ 128,458	\$ -	\$ -	\$ -	\$ 27,597	\$ (11,988)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 128,458	\$ -	\$ -	\$ -	\$ 27,597	\$ (11,988)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 128,458	\$ -	\$ -	\$ -	\$ 27,597	\$ (11,988)	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	128,458	-	-	-	27,597	(11,988)	-
Total cash and investment fund balance - ending	\$ 128,458	\$ -	\$ -	\$ -	\$ 27,597	\$ (11,988)	\$ -

HUNTINGTON COUNTY COMMUNITY 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)

	Preschool HA 05/06	Preschool 06/07	Adult Education/ Impact-Family/ Children	Adult Education Federal	Adult Education 06/07	Drug Free Schools 05/06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	15,019	-	5,450	-	28,392	-
Total receipts	15,019	-	5,450	-	28,392	-
Disbursements:						
Current:						
Instruction	5,596	24,425	-	924	4,128	7,428
Support services	-	-	-	7,396	6,217	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	5,596	24,425	-	8,320	10,345	7,428
Excess (deficiency) of receipts over disbursements	9,423	(24,425)	5,450	(8,320)	18,047	(7,428)
Other financing sources (uses):						
Transfers in	-	28,089	-	-	498	-
Transfers out	(28,089)	-	-	(498)	-	-
Total other financing sources (uses)	(28,089)	28,089	-	(498)	498	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,666)	3,664	5,450	(8,818)	18,545	(7,428)
Cash and investments - beginning	18,666	-	2,224	8,718	-	7,428
Cash and investments - ending	\$ -	\$ 3,664	\$ 7,674	\$ (100)	\$ 18,545	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,664	\$ 7,674	\$ (100)	\$ 18,545	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,664	\$ 7,674	\$ (100)	\$ 18,545	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,664	7,674	(100)	18,545	-
Total cash and investment fund balance - ending	\$ -	\$ 3,664	\$ 7,674	\$ (100)	\$ 18,545	\$ -

HUNTINGTON COUNTY COMMUNITY 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)

	Drug Free Schools 06/07	Medicaid Reimbursement Federal	Title II-A Improving Teacher Quality	Title II-D Enhancing Education	School Pension Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 573,953	\$ 2,714,821
Intermediate sources	-	-	-	-	-	1,725
State sources	-	-	-	-	-	340,049
Federal sources	<u>24,878</u>	<u>4,111</u>	<u>222,488</u>	-	-	<u>4,110,686</u>
Total receipts	<u>24,878</u>	<u>4,111</u>	<u>222,488</u>	-	<u>573,953</u>	<u>7,167,281</u>
Disbursements:						
Current:						
Instruction	8,811	-	9,217	-	-	1,864,903
Support services	4,000	-	120,217	12,649	-	4,017,859
Community services	-	-	-	-	-	4,146
Debt services	-	-	-	-	495,600	495,600
Total disbursements	<u>12,811</u>	-	<u>129,434</u>	<u>12,649</u>	<u>495,600</u>	<u>6,382,508</u>
Excess (deficiency) of receipts over disbursements	<u>12,067</u>	<u>4,111</u>	<u>93,054</u>	<u>(12,649)</u>	<u>78,353</u>	<u>784,773</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	3,081	290,232
Transfers out	<u>(10,000)</u>	<u>(26)</u>	<u>(131,075)</u>	-	-	<u>(591,321)</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(26)</u>	<u>(131,075)</u>	-	<u>3,081</u>	<u>(301,089)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,067</u>	<u>4,085</u>	<u>(38,021)</u>	<u>(12,649)</u>	<u>81,434</u>	<u>483,684</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>41,942</u>	<u>24,917</u>	<u>227,661</u>	<u>1,234,548</u>
Cash and investments - ending	<u>\$ 2,067</u>	<u>\$ 4,085</u>	<u>\$ 3,921</u>	<u>\$ 12,268</u>	<u>\$ 309,095</u>	<u>\$ 1,718,232</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,067	\$ 4,085	\$ 3,921	\$ 12,268	\$ -	\$ 1,409,137
Restricted assets:						
Cash and investments	-	-	-	-	309,095	309,095
Total cash and investment assets - ending	<u>\$ 2,067</u>	<u>\$ 4,085</u>	<u>\$ 3,921</u>	<u>\$ 12,268</u>	<u>\$ 309,095</u>	<u>\$ 1,718,232</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 309,095	\$ 309,095
Unrestricted	<u>2,067</u>	<u>4,085</u>	<u>3,921</u>	<u>12,268</u>	-	<u>1,409,137</u>
Total cash and investment fund balance - ending	<u>\$ 2,067</u>	<u>\$ 4,085</u>	<u>\$ 3,921</u>	<u>\$ 12,268</u>	<u>\$ 309,095</u>	<u>\$ 1,718,232</u>

HUNTINGTON COUNTY COMMUNITY 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, 2008

	Special Education Preschool	Food Service	Textbook Rental	Education License Plates	Alternative Education	Safe School Haven	Gifted/ Talented 06/07
Receipts:							
Local sources	\$ 16,959	\$ 1,609,852	\$ 358,398	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	825	-	-	-
State sources	147,813	57,626	133,772	-	6,613	14,163	-
Federal sources	-	998,242	-	-	-	-	-
Total receipts	164,772	2,665,720	492,170	825	6,613	14,163	-
Disbursements:							
Current:							
Instruction	165,152	-	-	-	-	-	21,680
Support services	-	2,719,282	426,630	-	-	12,100	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	165,152	2,719,282	426,630	-	-	12,100	21,680
Excess (deficiency) of receipts over disbursements	(380)	(53,562)	65,540	825	6,613	2,063	(21,680)
Other financing sources (uses):							
Transfers in	-	-	43,528	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	43,528	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(380)	(53,562)	109,068	825	6,613	2,063	(21,680)
Cash and investments - beginning	320,486	296,597	274,086	14,972	4,762	-	21,703
Cash and investments - ending	\$ 320,106	\$ 243,035	\$ 383,154	\$ 15,797	\$ 11,375	\$ 2,063	\$ 23
Cash and Investment Assets - Ending							
Cash and investments	\$ 320,106	\$ 243,035	\$ 383,154	\$ 15,797	\$ 11,375	\$ 2,063	\$ 23
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 320,106	\$ 243,035	\$ 383,154	\$ 15,797	\$ 11,375	\$ 2,063	\$ 23
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	320,106	243,035	383,154	15,797	11,375	2,063	23
Total cash and investment fund balance - ending	\$ 320,106	\$ 243,035	\$ 383,154	\$ 15,797	\$ 11,375	\$ 2,063	\$ 23

HUNTINGTON COUNTY COMMUNITY 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, 2008
 (Continued)

	State High Ability Grant 07/08	Medicaid Reimbursement	Title III Limited English	Non-English Speaking Program	School Technology	IN School Improvement Awards	Title I School Improvement 07/08
Receipts:							
Local sources	\$ -	\$ -	\$ 1,360	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	52,991	1,280	-	4,542	65,085	-	-
Federal sources	-	-	-	-	-	-	85,434
Total receipts	52,991	1,280	1,360	4,542	65,085	-	85,434
Disbursements:							
Current:							
Instruction	34,752	-	500	360	-	-	11,155
Support services	-	966	-	436	49,307	11,231	6,145
Community services	-	-	-	-	-	-	893
Debt services	-	-	-	-	-	-	-
Total disbursements	34,752	966	500	796	49,307	11,231	18,193
Excess (deficiency) of receipts over disbursements	18,239	314	860	3,746	15,778	(11,231)	67,241
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,239	314	860	3,746	15,778	(11,231)	67,241
Cash and investments - beginning	-	1,779	1,739	1,097	42,725	10,134	-
Cash and investments - ending	\$ 18,239	\$ 2,093	\$ 2,599	\$ 4,843	\$ 58,503	\$ (1,097)	\$ 67,241
Cash and Investment Assets - Ending							
Cash and investments	\$ 18,239	\$ 2,093	\$ 2,599	\$ 4,843	\$ 58,503	\$ (1,097)	\$ 67,241
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 18,239	\$ 2,093	\$ 2,599	\$ 4,843	\$ 58,503	\$ (1,097)	\$ 67,241
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	18,239	2,093	2,599	4,843	58,503	(1,097)	67,241
Total cash and investment fund balance - ending	\$ 18,239	\$ 2,093	\$ 2,599	\$ 4,843	\$ 58,503	\$ (1,097)	\$ 67,241

HUNTINGTON COUNTY COMMUNITY 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, 2008
 (Continued)

	Title I Andrews	Title I 06/07	Title I 07/08	Delinquent Child 05/06	Title V Part A 04/05	Title V Part A 06/07	IDEA Grant 06/07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	54,700	716,224	-	-	10,161	311,573
Total receipts	-	54,700	716,224	-	-	10,161	311,573
Disbursements:							
Current:							
Instruction	6,128	116,122	475,826	-	-	-	157,779
Support services	14,000	65,405	122,250	-	9,195	10,161	118,781
Community services	-	5,577	2,570	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	20,128	187,104	600,646	-	9,195	10,161	276,560
Excess (deficiency) of receipts over disbursements	(20,128)	(132,404)	115,578	-	(9,195)	-	35,013
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(163,471)
Total other financing sources (uses)	-	-	-	-	-	-	(163,471)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,128)	(132,404)	115,578	-	(9,195)	-	(128,458)
Cash and investments - beginning	20,139	193,400	-	132	9,195	-	128,458
Cash and investments - ending	\$ 11	\$ 60,996	\$ 115,578	\$ 132	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 11	\$ 60,996	\$ 115,578	\$ 132	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11	\$ 60,996	\$ 115,578	\$ 132	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11	60,996	115,578	132	-	-	-
Total cash and investment fund balance - ending	\$ 11	\$ 60,996	\$ 115,578	\$ 132	\$ -	\$ -	\$ -

HUNTINGTON COUNTY COMMUNITY 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, 2008
 (Continued)

	IDEA Grant 07/08	IDEA C.O. 06/07	IDEA Grant 07/08 Carryover	Preschool HA 06/07	Preschool 06/07	Preschool 07/08
Receipts:						
Local sources	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,542,580	-	-	13,333	-	67,379
Total receipts	1,542,880	-	-	13,333	-	67,379
Disbursements:						
Current:						
Instruction	785,099	3,977	32,447	1,345	3,664	71,647
Support services	685,427	23,620	45,280	-	-	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,470,526	27,597	77,727	1,345	3,664	71,647
Excess (deficiency) of receipts over disbursements	72,354	(27,597)	(77,727)	11,988	(3,664)	(4,268)
Other financing sources (uses):						
Transfers in	-	-	163,471	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	163,471	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	72,354	(27,597)	85,744	11,988	(3,664)	(4,268)
Cash and investments - beginning	-	27,597	-	(11,988)	3,664	-
Cash and investments - ending	<u>\$ 72,354</u>	<u>\$ -</u>	<u>\$ 85,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,268)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 72,354	\$ -	\$ 85,744	\$ -	\$ -	\$ (4,268)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 72,354	\$ -	\$ 85,744	\$ -	\$ -	\$ (4,268)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	72,354	-	85,744	-	-	(4,268)
Total cash and investment fund balance - ending	\$ 72,354	\$ -	\$ 85,744	\$ -	\$ -	\$ (4,268)

HUNTINGTON COUNTY COMMUNITY 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, 2008
 (Continued)

	Adult Education/ Impact-Family/ Children	Adult Education Federal	Adult Education 06/07	Adult Education 07/08	Drug Free Schools 06/07	Drug Free Schools Title IV-A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	700	-	-	27,818	-	19,692
Total receipts	700	-	-	27,818	-	19,692
Disbursements:						
Current:						
Instruction	-	-	11,467	15,822	942	3,252
Support services	-	-	7,679	11,789	-	9,000
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	19,146	27,611	942	12,252
Excess (deficiency) of receipts over disbursements	700	-	(19,146)	207	(942)	7,440
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	700	-	(19,146)	207	(942)	7,440
Cash and investments - beginning	7,674	(100)	18,545	-	2,067	-
Cash and investments - ending	<u>\$ 8,374</u>	<u>\$ (100)</u>	<u>\$ (601)</u>	<u>\$ 207</u>	<u>\$ 1,125</u>	<u>\$ 7,440</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 8,374	\$ (100)	\$ (601)	\$ 207	\$ 1,125	\$ 7,440
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,374</u>	<u>\$ (100)</u>	<u>\$ (601)</u>	<u>\$ 207</u>	<u>\$ 1,125</u>	<u>\$ 7,440</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,374	(100)	(601)	207	1,125	7,440
Total cash and investment fund balance - ending	<u>\$ 8,374</u>	<u>\$ (100)</u>	<u>\$ (601)</u>	<u>\$ 207</u>	<u>\$ 1,125</u>	<u>\$ 7,440</u>

HUNTINGTON COUNTY COMMUNITY 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, 2008
 (Continued)

	Medicaid Reimbursement Federal	Title II-A Improving Teacher Quality	Title II-D Enhancing Education	School Pension Debt	HNHS Construction Project 2008	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 354,813	\$ -	\$ 2,341,682
Intermediate sources	-	-	-	-	-	825
State sources	-	-	-	-	-	483,885
Federal sources	2,143	224,940	161,096	-	-	4,236,015
Total receipts	2,143	224,940	161,096	354,813	-	7,062,407
Disbursements:						
Current:						
Instruction	-	13,037	-	-	-	1,932,153
Support services	-	97,662	120,008	-	49,100	4,615,454
Community services	-	-	-	-	-	9,040
Debt services	-	-	-	643,886	-	643,886
Total disbursements	-	110,699	120,008	643,886	49,100	7,200,533
Excess (deficiency) of receipts over disbursements	2,143	114,241	41,088	(289,073)	(49,100)	(138,126)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	206,999
Transfers out	-	-	-	-	-	(163,471)
Total other financing sources (uses)	-	-	-	-	-	43,528
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,143	114,241	41,088	(289,073)	(49,100)	(94,598)
Cash and investments - beginning	4,085	3,921	12,268	309,095	-	1,718,232
Cash and investments - ending	<u>\$ 6,228</u>	<u>\$ 118,162</u>	<u>\$ 53,356</u>	<u>\$ 20,022</u>	<u>\$ (49,100)</u>	<u>\$ 1,623,634</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 6,228	\$ 118,162	\$ 53,356	\$ -	\$ (49,100)	\$ 1,603,612
Restricted assets:						
Cash and investments	-	-	-	20,022	-	20,022
Total cash and investment assets - ending	\$ 6,228	\$ 118,162	\$ 53,356	\$ 20,022	\$ (49,100)	\$ 1,623,634
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 20,022	\$ -	\$ 20,022
Unrestricted	6,228	118,162	53,356	-	(49,100)	1,603,612
Total cash and investment fund balance - ending	\$ 6,228	\$ 118,162	\$ 53,356	\$ 20,022	\$ (49,100)	\$ 1,623,634

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

	<u>Retirement/ Severance Bond</u>	<u>Post-Retirement/ Severance Future Benefit</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ -	\$ 270,000	\$ 270,000
	<u> </u>	<u> </u>	<u> </u>
Deductions:			
Benefits	195,675	-	195,675
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of total additions over total deductions	(195,675)	270,000	74,325
Cash and investment fund balance - beginning	930,520	-	930,520
	<u> </u>	<u> </u>	<u> </u>
Cash and investment fund balance - ending	<u>\$ 734,845</u>	<u>\$ 270,000</u>	<u>\$ 1,004,845</u>
	<u> </u>	<u> </u>	<u> </u>
Net assets:			
Cash and investments	\$ 734,845	\$ 270,000	\$ 1,004,845
	<u> </u>	<u> </u>	<u> </u>
Total net assets - cash and investment basis held in trust	<u>\$ 734,845</u>	<u>\$ 270,000</u>	<u>\$ 1,004,845</u>
	<u> </u>	<u> </u>	<u> </u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Deductions:			
Benefits	\$ 188,304	\$ 20,096	\$ 208,400
Deficiency of total additions over total deductions	(188,304)	(20,096)	(208,400)
Cash and investment fund balance - beginning	734,845	270,000	1,004,845
Cash and investment fund balance - ending	\$ 546,541	\$ 249,904	\$ 796,445
Net assets:			
Cash and investments	\$ 546,541	\$ 249,904	\$ 796,445
Total net assets - cash and investment basis held in trust	\$ 546,541	\$ 249,904	\$ 796,445

HUNTINGTON COUNTY COMMUNITY 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

	Donations/ Mini Grants	Knights of Columbus Grant	LACE/ Guidance Counselors/ITI	Parkview Foundation	Department of Health/ Jump Ropes	Riverview Classroom Ed Grant
Additions:						
Contributions:						
Other	\$ 1,000	\$ -	\$ 2,850	\$ 3,500	\$ -	\$ 240
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>1,000</u>	<u>-</u>	<u>2,850</u>	<u>3,500</u>	<u>-</u>	<u>240</u>
Deductions:						
Administrative and general	-	231	750	3,000	446	242
Excess (deficiency) of total additions over total deductions	1,000	(231)	2,100	500	(446)	(2)
Cash and investment fund balance - beginning	<u>540</u>	<u>929</u>	<u>-</u>	<u>3,021</u>	<u>796</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 1,540</u>	<u>\$ 698</u>	<u>\$ 2,100</u>	<u>\$ 3,521</u>	<u>\$ 350</u>	<u>\$ (2)</u>
Net assets:						
Cash and investments	<u>\$ 1,540</u>	<u>\$ 698</u>	<u>\$ 2,100</u>	<u>\$ 3,521</u>	<u>\$ 350</u>	<u>\$ (2)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,540</u>	<u>\$ 698</u>	<u>\$ 2,100</u>	<u>\$ 3,521</u>	<u>\$ 350</u>	<u>\$ (2)</u>

HUNTINGTON COUNTY COMMUNITY 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
 (Continued)

	Huntington University Baseball	Andrews Classroom Ed Grant	Northwest Classroom Ed Grant	Amy Barnes Scholarship	Phil Rich Scholarship	Area 18 Reimbursement
Additions:						
Contributions:						
Other	\$ -	\$ 250	\$ 500	\$ -	\$ 1,260	\$ 30,625
Investment earnings:						
Interest	-	-	-	194	767	-
Total additions	-	250	500	194	2,027	30,625
Deductions:						
Administrative and general	-	244	500	-	510	35,550
Excess (deficiency) of total additions over total deductions	-	6	-	194	1,517	(4,925)
Cash and investment fund balance - beginning	3,000	-	-	4,763	10,657	-
Cash and investments - June 30	<u>\$ 3,000</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 4,957</u>	<u>\$ 12,174</u>	<u>\$ (4,925)</u>
Net assets:						
Cash and investments	\$ 3,000	\$ 6	\$ -	\$ 4,957	\$ 12,174	\$ (4,925)
Total net assets - cash and investment basis held in trust	<u>\$ 3,000</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 4,957</u>	<u>\$ 12,174</u>	<u>\$ (4,925)</u>

HUNTINGTON COUNTY COMMUNITY 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
 (Continued)

	Coca-Cola/ Pepsi-Cola Programs	EPA Grant/ Riverview	Swoosh Program/ Riverview	Ecolab Grant	Totals
Additions:					
Contributions:					
Other	\$ 16,243	\$ -	\$ -	\$ 43,104	\$ 99,572
Investment earnings:					
Interest	-	-	-	-	961
Total additions	16,243	-	-	43,104	100,533
Deductions:					
Administrative and general	23,866	1,194	6,702	27,856	101,091
Excess (deficiency) of total additions over total deductions	(7,623)	(1,194)	(6,702)	15,248	(558)
Cash and investment fund balance - beginning	144,517	4,580	8,578	15,803	197,184
Cash and investments - June 30	<u>\$ 136,894</u>	<u>\$ 3,386</u>	<u>\$ 1,876</u>	<u>\$ 31,051</u>	<u>\$ 196,626</u>
Net assets:					
Cash and investments	<u>\$ 136,894</u>	<u>\$ 3,386</u>	<u>\$ 1,876</u>	<u>\$ 31,051</u>	<u>\$ 196,626</u>
Total net assets - cash and investment basis held in trust	<u>\$ 136,894</u>	<u>\$ 3,386</u>	<u>\$ 1,876</u>	<u>\$ 31,051</u>	<u>\$ 196,626</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Donations/ Mini Grants	Knights of Columbus Grant	LACE/ Guidance Counselors/ITI	Parkview Foundation	Department of Health/ Jump Ropes	Riverview Classroom Ed Grant
Additions:						
Contributions:						
Other	\$ 2,592	\$ -	\$ 2,915	\$ -	\$ -	\$ -
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>2,592</u>	<u>-</u>	<u>2,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	<u>185</u>	<u>698</u>	<u>4,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	2,407	(698)	(1,938)	-	-	-
Cash and investment fund balance - beginning	<u>1,540</u>	<u>698</u>	<u>2,100</u>	<u>3,521</u>	<u>350</u>	<u>(2)</u>
Cash and Investments - June 30	<u>\$ 3,947</u>	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 3,521</u>	<u>\$ 350</u>	<u>\$ (2)</u>
Net assets:						
Cash and investments	<u>\$ 3,947</u>	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 3,521</u>	<u>\$ 350</u>	<u>\$ (2)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,947</u>	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 3,521</u>	<u>\$ 350</u>	<u>\$ (2)</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Huntington University Baseball	Andrews Classroom Ed Grant	Amy Barnes Scholarship	Phil Rich Scholarship	Area 18 Reimbursement	Coca-Cola/ Pepsi-Cola Programs
Additions:						
Contributions:						
Other	\$ -	\$ 950	\$ -	\$ 400	\$ 26,354	\$ 9,255
Investment earnings:						
Interest	-	-	177	-	-	-
Total additions	-	950	177	400	26,354	9,255
Deductions:						
Administrative and general	-	250	-	10	22,658	26,676
Excess (deficiency) of total additions over total deductions	-	700	177	390	3,696	(17,421)
Cash and investment fund balance - beginning	3,000	6	4,957	12,174	(4,925)	136,894
Cash and Investments - June 30	<u>\$ 3,000</u>	<u>\$ 706</u>	<u>\$ 5,134</u>	<u>\$ 12,564</u>	<u>\$ (1,229)</u>	<u>\$ 119,473</u>
Net assets:						
Cash and investments	\$ 3,000	\$ 706	\$ 5,134	\$ 12,564	\$ (1,229)	\$ 119,473
Total net assets - cash and investment basis held in trust	<u>\$ 3,000</u>	<u>\$ 706</u>	<u>\$ 5,134</u>	<u>\$ 12,564</u>	<u>\$ (1,229)</u>	<u>\$ 119,473</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Lowe's Grant	EPA Grant/ Riverview	Swoosh Program/ Riverview	Huntington Co Community Foundation	Ecolab Grant	Totals
Additions:						
Contributions:						
Other	\$ 2,600	\$ -	\$ -	\$ 927	\$ 13,970	\$ 59,963
Investment earnings:						
Interest	-	-	-	-	-	177
Total additions	2,600	-	-	927	13,970	60,140
Deductions:						
Administrative and general	-	3,386	1,876	667	25,050	86,309
Excess (deficiency) of total additions over total deductions	2,600	(3,386)	(1,876)	260	(11,080)	(26,169)
Cash and investment fund balance - beginning	-	3,386	1,876	-	31,051	196,626
Cash and Investments - June 30	<u>\$ 2,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 19,971</u>	<u>\$ 170,457</u>
Net assets:						
Cash and investments	\$ 2,600	\$ -	\$ -	\$ 260	\$ 19,971	\$ 170,457
Total net assets - cash and investment basis held in trust	<u>\$ 2,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 19,971</u>	<u>\$ 170,457</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2008

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.

General infrastructure assets completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,616,505
Infrastructure	238,069
Buildings	97,468,456
Improvements other than buildings	6,462,772
Machinery and equipment	<u>11,973,008</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 117,758,810</u></u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

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:		
Huntington Countywide School Building Corporation	\$ 9,740,000	\$ 1,222,000
Huntington Countywide School Building Corporation II	35,470,000	3,016,000
Notes and loans payable		
Common School Fund Loans	2,625,809	396,232
Energy Savings Loans	382,715	47,883
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>4,010,000</u>	<u>675,946</u>
Total governmental activities debt	<u>\$ 52,228,524</u>	<u>\$ 5,358,061</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

A receipt was issued on February 28, 2007, for \$8,194.57 with the caption on the receipt as "Correcting Fund to Match Banks" and the caption in the ledger was "difference between bank & fund." The receipt was issued to increase the ledger balance to reconcile with the bank account balances.

IC 5-13-6-1(e) states in part:

"All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CONDITION OF RECORDS

There were a considerable number of posting errors. The errors included transfers not posted properly, sale of investments posted as receipts, property taxes posted as license excise taxes, miscellaneous receipts posted as Federal grants, and State and Federal grants posted as miscellaneous receipts.

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

FUND SOURCES AND USES

Funds were disbursed from the Capital Projects Fund for workers compensation insurance in the amount of \$53,017.

IC 20-40-8-19 states in part:

"Money in the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation: . . . (2) Property or casualty insurance . . ."

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

COMPENSATION AND BENEFITS

The contract for some employees for the school year 2006-2007 was not settled until January 2007. There were some employee contracts that were not amended at that time; however, the employee's salary was increased to agree with the terms of the new contract, and resulted in some employees being paid amounts in excess of their signed contract (the contract not amended).

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

TEXTBOOK REIMBURSEMENT CLAIM

The form to claim reimbursement for textbooks from the State of Indiana, Financial Assistance for Students/Textbook Reimbursement, was not accurately prepared. The reimbursement is based on the number of students that were approved for free and reduced lunches. The number of students claimed for the school year 2006-2007 was overstated by 32. The number of students claimed for the school year 2007-2008 was understated by 57.

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

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2008. Two grade 13 students that had dropped out in August 2007, were erroneously included in the ADM count performed on September 14, 2007.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

YEARBOOK FUND (Crestview Middle School)

The Yearbook Fund expenses exceeded revenues in school year 2006-2007 and school year 2007-2008 by \$2,083 and \$3,781, respectively. Information provided for audit indicates that revenues from the sale of yearbooks have been declining; however, expenditures have remained steady. Invoices for the purchase of yearbooks indicate 467 and 487 yearbooks were purchased in 2006-2007 and 2007-2008, respectively. Adequate documentation was not provided to determine the actual number of yearbooks sold in either year. The yearbook fund sponsor collected the money and issued receipts for the sale of yearbooks; however, the sponsor disposed of the duplicate receipts for both years. A pre-sale list was provided for 2006-2007 which indicated 235 yearbooks were pre-sold. The pre-sale list for 2007-2008 was maintained electronically and the file was not saved. The remaining yearbooks were sold at a discount through the bookstore and were also given away to staff and students. The number of yearbooks sold in the bookstore and the number that were given away were not recorded.

IC 5-15-6-3(f) concerning destruction of public records, states in part:

"Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

INCENTIVE AWARDS (Crestview Middle School)

Crestview Middle School purchased items such as iPod videos, portable DVD players, 20" LCD TVs, and portable Sony play stations totaling \$4,210 in school year 2006-2007 to use as incentive awards for students. Other items such as gift cards, movie money, school apparel, and yearbooks were also purchased as incentive awards in school years 2006-2007 and 2007-2008. Evidence was presented to support the purchases; however, no evidence was provided to document who received these awards or the purpose of the awards.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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

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

TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Huntington County Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the years ended June 30, 2007 and 2008. The School Corporation's major federal program is 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 its major federal program is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to its major federal program for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our

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

opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

STATE BOARD OF ACCOUNTS

March 11, 2009

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 164,667	\$ 194,974
National School Lunch Program	10.555		819,661	925,816
Summer Food Service Program for Children	10.559		<u>60,597</u>	<u>33,353</u>
Total for federal grantor agency			<u>1,044,925</u>	<u>1,154,143</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14205-029-DY01	13,397	-
		14205-029-PY02	84,561	-
		14206-029-PN01	229,769	-
		14206-029-PY02	174,803	27,598
		14207-029-PN01	1,425,872	276,560
		14207-029-PY02	-	77,727
		14208-029-PN01	<u>-</u>	<u>1,470,226</u>
Total for program			<u>1,928,402</u>	<u>1,852,111</u>
Special Education - Preschool Grants	84.173			
		45705-029-PY02	3,374	-
		45706-029-PN01	5,596	-
		45706-029-PY02	24,425	3,663
		45707-029-PN01	78,668	1,345
		45708-029-PN01	<u>-</u>	<u>71,647</u>
Total for program			<u>112,063</u>	<u>76,655</u>
Total for cluster			<u>2,040,465</u>	<u>1,928,766</u>
Pass-Through Fort Wayne Community Schools				
Adult Education - State Grant Program	84.002			
		FY 06	8,321	-
		FY 07	10,344	19,146
		FY 08	<u>-</u>	<u>27,611</u>
Total for program			<u>18,665</u>	<u>46,757</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
Regular funding		06-3625	21,900	-
Part D, Subpart 2 Planning Allocation		07-3625	22,898	-
School Improvement		07-3625	35,835	20,128
Regular funding		07-3625	444,870	187,105
School Improvement		08-3625	-	18,193
Regular funding		08-3625	-	600,646
		S010A050014	<u>593</u>	<u>-</u>
Total for program			<u>526,096</u>	<u>826,072</u>
Pass-Through Bluffton-Harrison Metropolitan School District				
Vocational Education - Basic Grants to States	84.048			
		FY07	30,628	-
		FY08	<u>-</u>	<u>26,354</u>
Total for program			<u>30,628</u>	<u>26,354</u>

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		04-163	7,428	-
		05-190	22,811	942
		3625-06	-	12,252
			<u>30,239</u>	<u>13,194</u>
Total for program				
State Grants for Innovative Programs	84.298			
		04-196	23,558	9,195
		06-3625	-	10,161
			<u>23,558</u>	<u>19,356</u>
Total for program				
Education Technology State Grants	84.318			
		FY 04-05	12,649	1,472
		FY 05-06	-	10,796
		S318X060014	-	107,740
			<u>12,649</u>	<u>120,008</u>
Total for program				
Improving Teacher Quality State Grants	84.367			
		04-258	41,942	-
		05-281	218,566	3,922
		06-3625	-	106,778
			<u>260,508</u>	<u>110,700</u>
Total for program				
Total for federal grantor agency			<u>2,942,808</u>	<u>3,091,207</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security				
Disaster Grants - Public Assistance	97.036	EM 3274	-	3,258
Total for federal grantor agency			<u>-</u>	<u>3,258</u>
Total federal awards expended			<u>\$ 3,987,733</u>	<u>\$ 4,248,608</u>

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Huntington County Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	For the Year Ended June 30, 2007	For the Year Ended June 30, 2008
Child Nutrition Cluster			
Food Commodities			
School Breakfast Program	10.553	\$ 23,262	\$ 27,121
National School Lunch Program	10.555	<u>115,376</u>	<u>128,781</u>
Total for Cluster		<u>\$ 138,638</u>	<u>\$ 155,902</u>

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? no
Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
Material weaknesses identified? no
Significant deficiencies identified that are not considered to be material weaknesses? 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

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 11, 2009, with Sheila Howe, Treasurer; Tracey R. Shafer, Superintendent of Schools; David M. McKee, Assistant Superintendent for Business and Classified Staff; and Kevin E. Patrick, President of the School Board. The official response has been made a part of this report and may be found on pages 62 through 64.

The contents of this report were discussed on March 11, 2009, with Sandra Bailey, former Treasurer.



Huntington County Community School Corporation

1360 Warren Road ♦ Huntington, IN 46750-2192 ♦ Telephone (260) 356-7812 ♦ FAX (260) 358-2216

Superintendent: Tracey R. Shafer

Assistant Superintendent for Business/Classified Staff: David McKee

Assistant to the Superintendent for Instruction: Charles R. Grable

March 18, 2009

Bruce Hartman
State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

OFFICIAL RESPONSE

Dear Mr. Hartman,

Please find below the official response to the audit of Huntington County Community School Corporation for the examined period of 07/01/06 to 06/30/08. It is the intent of the school corporation to comply fully with the Indiana Code. Included below in order is the disposition and resolution for each notation found in the audit. We thank you for the opportunity to respond and achieve full compliance with the State Board of Accounts.

Bank Account Reconciliations

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: This problem occurred during the transition of treasurers. Many hours were spent in an attempt to resolve the reconciliation difference with the bank. Given the problem was with receipting the correct amount to the ledger, a forced correction was made.

Condition of Records

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: Prior to the State Board of Account's Audit, a grant and expenditure monitoring system was put in place to make sure proper receipting of revenue and expenditure where taking place. The system improves the communication between the person responsible for writing the grant, the treasurer, payroll specialist and claims processor. The new system, effective in January 2009, will provide the controls needed

Mission Statement

"Huntington County Community School Corporation provides education that ensures student achievement, promotes citizenship and encourages lifelong learning."

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to make sure receipts and expenditures are being processed in accordance with State accounting requirements. This will help prevent posting errors and the need to make unnecessary transfers as cited by the auditors.

Fund Sources and Uses

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: This error was the result of coding a claim with the incorrect fund number.

Compensation and Benefits

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: During the 2007 – 08 school year, a few employees' contracts were not modified to reflect the School Board approved changes in compensation. A process has been implemented to make sure that any Board approved benefit and compensation changes are reflected in the employee's contract.

Textbook Reimbursement Claim

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: This problem occurs when two different student data based software programs are not synchronized prior to extracting data for the different reports. One data base is used to track free and reduced lunches and the other software pulls data for textbooks. A process has been established where once per month during the school year and weekly at the start of the school year the two different student data bases will be synchronized.

Average Daily Membership (ADM) – Incorrect Reporting to the State

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: Two students were incorrectly counted as being enrolled only to be found after the count day to withdrawing prior to September 14, 2007. The corporation has in place a process to audit student enrollment counts and this error is an exception, but one that is not acceptable.

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Yearbook Fund (Crestview Middle School)

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: Superintendent discussed this matter with the Crestview Middle School principal and steps have been implemented to assure this does not recur.

Incentive Awards (Crestview Middle School)

Disposition: We acknowledge notations in the report and intend to comply.

Resolution: At the March 2009 Administration Meeting the Superintendent discussed with all principals the procedures that need to be in place for documentation of incentive awards presented to students.

Thank you again for the opportunity to respond and to work toward resolution of these notations. The SBOA field audit team was both helpful and professional in their approach to working with our school corporation central office staff.

Sincerely,



Tracey R. Shafer
Superintendent
Huntington County Community School Corporation

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