

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

EXAMINATION REPORT
OF
EAST PORTER COUNTY SCHOOL CORPORATION
PORTER COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
02/12/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Information:	
Schedules of Activities and Net Assets - Cash and Investments Basis	4-5
Fund Financial Information:	
Governmental Funds:	
Schedules of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Governmental Funds	6-7
Fiduciary Funds:	
Schedules of Additions, Deductions, and Changes in Cash and Investments Balances – Fiduciary Funds.....	8-9
Notes to Financial Information	10-14
Required Supplementary Information:	
Schedule of Funding Progress	15
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in fund Balances – Cash and Investment Basis – Other Governmental Funds	16-23
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds	
Schedule of Capital Assets.....	24
Schedule of Long-Term Debt	25
Examination Results and Comments:	
Overdrawn Fund Balances	26
Compensation Paid From Extra-Curricular Account	26
ECA Educational Purchases	26
ECA Educational Fees	26-27
Prenumbered Tickets Not Used	27
Prescribed Receipts	27-28
Internal Controls	28
Overdrawn Fund Balances (ECA).....	28
Exit Conference.....	29

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lynn Kwilas	07-01-07 to 09-30-07
	(Vacant)	10-01-07 to 10-31-07
	Dr. Rodger Smith	11-01-07 to 06-30-08
	(Vacant)	07-01-08 to 07-13-08
	Lisa Rosinko	07-14-08 to 06-30-10
Superintendent of Schools	Dr. Rodney Gardin	07-01-07 to 06-30-10
President of the School Board	Jean Gesse	07-01-07 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EAST PORTER COUNTY
SCHOOL CORPORATION, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the East Porter County School Corporation (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 14, 2009

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE 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 (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 8,636,352	\$ -	\$ 89,302	\$ (8,547,050)
Support services	5,919,507	629,264	210,296	(5,079,947)
Noninstructional services	893,076	-	-	(893,076)
Facilities acquisition and construction	2,468,113	-	-	(2,468,113)
Debt service	9,896,144	-	-	(9,896,144)
Nonprogrammed charges	<u>1,043,518</u>	<u>-</u>	<u>-</u>	<u>(1,043,518)</u>
Total governmental activities	<u>\$ 28,856,710</u>	<u>\$ 629,264</u>	<u>\$ 299,598</u>	<u>(27,927,848)</u>
General receipts:				
Property taxes				12,659,223
Other local sources				1,539,027
State aid				6,315,222
Bonds and loans				5,327,549
Grants and contributions not restricted to specific programs				180,651
Sale of property				407
Investment earnings				237,444
Other				<u>21,720</u>
Total general receipts				<u>26,281,243</u>
Change in net assets				(1,646,605)
Net assets - beginning				<u>6,697,276</u>
Net assets - ending				<u>\$ 5,050,671</u>
<u>Assets</u>				
Cash and investments				\$ 4,773,356
Restricted assets:				
Cash and investments				<u>277,315</u>
Total assets				<u>\$ 5,050,671</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 277,315
Unrestricted				<u>4,773,356</u>
Total net assets				<u>\$ 5,050,671</u>

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

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 8,658,290	\$ -	\$ 87,161	\$ (8,571,129)
Support services	6,438,139	634,610	240,677	(5,562,852)
Noninstructional services	1,025,355	-	-	(1,025,355)
Facilities acquisition and construction	10,285,434	-	-	(10,285,434)
Debt service	8,406,767	-	-	(8,406,767)
Nonprogrammed charges	1,043,095	-	-	(1,043,095)
Total governmental activities	<u>\$ 35,857,080</u>	<u>\$ 634,610</u>	<u>\$ 327,838</u>	<u>(34,894,632)</u>
General receipts:				
Property taxes				14,081,481
Other local sources				10,649,900
State aid				7,803,574
Bonds and loans				1,938,000
Grants and contributions not restricted to specific programs				1,419,080
Investment earnings				67,369
Other				18,417
Total general receipts				<u>35,977,821</u>
Change in net assets				1,083,189
Net assets - beginning				<u>5,050,671</u>
Net assets - ending				<u>\$ 6,133,860</u>
Assets				
Cash and investments				\$ 5,739,108
Restricted assets:				
Cash and investments				<u>394,752</u>
Total assets				<u>\$ 6,133,860</u>
Net Assets				
Restricted for:				
Debt service				\$ 394,752
Unrestricted				<u>5,739,108</u>
Total net assets				<u>\$ 6,133,860</u>

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

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

	General	Transportation Operating	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	2008 Construction	Other	Totals
Receipts:									
Local sources	\$ 6,334,357	\$ 981,871	\$ -	\$ -	\$ 3,250,317	\$ 2,322,401	\$ -	\$ 1,705,536	\$ 14,594,482
Intermediate sources	4,986	-	-	-	-	-	-	488	5,474
State sources	6,335,085	-	-	-	-	-	-	169,017	6,504,102
Federal sources	-	-	-	-	-	-	-	291,371	291,371
Temporary loans	3,272,310	-	-	-	449,159	1,305,472	-	280,660	5,307,601
Other	625	-	-	-	-	20,795	-	300	21,720
Total receipts	15,947,363	981,871	-	-	3,699,476	3,648,668	-	2,447,372	26,724,750
Disbursements:									
Current:									
Instruction	8,485,922	-	-	-	-	-	-	150,430	8,636,352
Support services	3,566,992	866,844	-	-	-	714,197	-	771,474	5,919,507
Noninstructional services	207,577	-	-	-	-	-	-	685,499	893,076
Facilities acquisition and construction	-	-	-	-	-	1,818,118	514,850	135,145	2,468,113
Debt services	3,343,420	467,297	-	-	4,211,637	1,403,953	-	469,837	9,896,144
Nonprogrammed charges	970,749	-	-	-	-	-	-	72,769	1,043,518
Total disbursements	16,574,660	1,334,141	-	-	4,211,637	3,936,268	514,850	2,285,154	28,856,710
Excess (deficiency) of receipts over disbursements	(627,297)	(352,270)	-	-	(512,161)	(287,600)	(514,850)	162,218	(2,131,960)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	19,948	-	465,000	-	484,948
Sale of capital assets	407	-	-	-	-	-	-	-	407
Transfers in	-	-	-	-	-	-	9,722	-	9,722
Transfers out	-	-	-	-	-	-	-	(9,722)	(9,722)
Total other financing sources (uses)	407	-	-	-	19,948	-	474,722	(9,722)	485,355
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(626,890)	(352,270)	-	-	(492,213)	(287,600)	(40,128)	152,496	(1,646,605)
Cash and investments - beginning	2,620,004	895,898	950,000	-	611,862	836,350	-	783,162	6,697,276
Cash and investments - ending	\$ 1,993,114	\$ 543,628	\$ 950,000	\$ -	\$ 119,649	\$ 548,750	\$ (40,128)	\$ 935,658	\$ 5,050,671
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,993,114	\$ 543,628	\$ 950,000	\$ -	\$ -	\$ 548,750	\$ (40,128)	\$ 777,992	\$ 4,773,356
Restricted assets:									
Cash and investments	-	-	-	-	119,649	-	-	157,666	277,315
Total cash and investment assets - ending	\$ 1,993,114	\$ 543,628	\$ 950,000	\$ -	\$ 119,649	\$ 548,750	\$ (40,128)	\$ 935,658	\$ 5,050,671
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 119,649	\$ -	\$ -	\$ 157,666	\$ 277,315
Unrestricted	1,993,114	543,628	950,000	-	-	548,750	(40,128)	777,992	4,773,356
Total cash and investment fund balance - ending	\$ 1,993,114	\$ 543,628	\$ 950,000	\$ -	\$ 119,649	\$ 548,750	\$ (40,128)	\$ 935,658	\$ 5,050,671

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

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Transportation Operating	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	2008 Construction	Other	Totals
Receipts:									
Local sources	\$ 7,530,071	\$ 1,136,394	\$ -	\$ -	\$ 3,787,024	\$ 2,309,311	\$ -	\$ 1,755,290	\$ 16,518,090
Intermediate sources	-	-	-	-	-	-	-	993	993
State sources	7,821,549	-	-	-	-	-	-	251,576	8,073,125
Federal sources	-	-	-	1,093,787	-	-	-	383,579	1,477,366
Temporary loans	-	-	-	-	751,000	943,000	-	244,000	1,938,000
Other	16,916	-	-	-	-	1,501	-	2,800	21,217
Total receipts	15,368,536	1,136,394	-	1,093,787	4,538,024	3,253,812	-	2,638,238	28,028,791
Disbursements:									
Current:									
Instruction	8,443,450	-	-	-	-	-	-	214,840	8,658,290
Support services	4,104,642	901,118	-	34,920	-	834,735	-	562,724	6,438,139
Noninstructional services	246,233	-	-	-	-	-	-	779,122	1,025,355
Facilities acquisition and construction	-	-	-	-	-	1,365,708	8,870,059	49,667	10,285,434
Debt services	2,709,505	-	33,938	-	4,360,610	693,865	-	608,849	8,406,767
Nonprogrammed charges	1,032,832	-	-	-	-	-	-	10,263	1,043,095
Total disbursements	16,536,662	901,118	33,938	34,920	4,360,610	2,894,308	8,870,059	2,225,465	35,857,080
Excess (deficiency) of receipts over disbursements	(1,168,126)	235,276	(33,938)	1,058,867	177,414	359,504	(8,870,059)	412,773	(7,828,289)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	8,911,478	-	8,911,478
Transfers in	-	-	300,000	-	-	-	-	14,451	314,451
Transfers out	-	(300,000)	-	-	(14,451)	-	-	-	(314,451)
Total other financing sources (uses)	-	(300,000)	300,000	-	(14,451)	-	8,911,478	14,451	8,911,478
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,168,126)	(64,724)	266,062	1,058,867	162,963	359,504	41,419	427,224	1,083,189
Cash and investments - beginning	1,993,114	543,628	950,000	-	119,649	548,750	(40,128)	935,658	5,050,671
Cash and investments - ending	\$ 824,988	\$ 478,904	\$ 1,216,062	\$ 1,058,867	\$ 282,612	\$ 908,254	\$ 1,291	\$ 1,362,882	\$ 6,133,860
Cash and Investment Assets - Ending									
Cash and investments	\$ 824,988	\$ 478,904	\$ 1,216,062	\$ 1,058,867	\$ -	\$ 908,254	\$ 1,291	\$ 1,250,742	\$ 5,739,108
Restricted assets:									
Cash and investments	-	-	-	-	282,612	-	-	112,140	394,752
Total cash and investment assets - ending	\$ 824,988	\$ 478,904	\$ 1,216,062	\$ 1,058,867	\$ 282,612	\$ 908,254	\$ 1,291	\$ 1,362,882	\$ 6,133,860
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 282,612	\$ -	\$ -	\$ 112,140	\$ 394,752
Unrestricted	824,988	478,904	1,216,062	1,058,867	-	908,254	1,291	1,250,742	5,739,108
Total cash and investment fund balance - ending	\$ 824,988	\$ 478,904	\$ 1,216,062	\$ 1,058,867	\$ 282,612	\$ 908,254	\$ 1,291	\$ 1,362,882	\$ 6,133,860

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

EAST PORTER COUNTY SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	Pension Trust Fund	Agency Fund
Additions:		
Contributions:		
Employer	\$ <u> -</u>	
Deductions:		
Benefits	<u> 131,581</u>	
Deficiency of total additions over total deductions	(131,581)	
Cash and investment fund balance - beginning	<u> 129,340</u>	
Cash and investment fund balance - ending	<u>\$ (2,241)</u>	<u>\$ 59,211</u>
Net assets:		
Cash and investments	<u>\$ (2,241)</u>	
Total net assets - cash and investment basis held in trust	<u>\$ (2,241)</u>	

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

EAST PORTER COUNTY SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2009

	Pension Trust Fund	Agency Fund
Additions:		
Contributions:		
Other	\$ 2,241	
Deductions:		
Benefits	-	
Excess of total additions over total deductions	2,241	
Cash and investment fund balance - beginning	(2,241)	
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 112,749</u>
Net assets:		
Cash and investments	<u>\$ -</u>	
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	

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

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

The Schedule of Activities and Net Assets - Cash and Investments Basis displays information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Schedules

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds are reported as separate columns in the fund financial schedules.

The School Corporation reports the following major governmental funds:

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

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

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

Fiscal stabilization-education (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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 2008 construction fund is used to account for the planned construction and renovation of school facilities financed with general obligation bonds issued by a holding corporation.

Additionally, the School Corporation reports the following fund type:

The pension trust fund accounts for the accumulation of resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for employees and other governmental agencies and serve as control accounts for cash transactions during the time they are a liability to the School Corporation. Money is held for the IRS, Indiana Dept. of Revenue, 403(b) Companies, and Insurance companies.

B. Measurement Focus and Basis of Accounting

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

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

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

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

Note 3. Budgets

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

EAST PORTER COUNTY SCHOOL CORPORATION
 NOTES TO FINANCIAL INFORMATION
 (Continued)

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
Rainy Day	Transportation Operating	\$ -	\$ 300,000
Other governmental funds	2008 Construction	9,722	-
Other governmental funds	Other governmental funds	-	14,451
Totals		<u>\$ 9,722</u>	<u>\$ 314,451</u>

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

Note 7. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

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

EAST PORTER COUNTY 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 494,582	\$ 604,633	\$ (110,051)	82%	\$ 567,787	(19%)
07-01-07	585,592	747,361	(161,769)	78%	658,835	(25%)
07-01-08	684,973	819,764	(134,791)	84%	603,096	(22%)

EAST PORTER COUNTY 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	School Lunch	Textbook Rental	Education License Plate	Alternative Education	Gift Fund	Gifted and Talented
Receipts:							
Local sources	\$ 14,324	\$ 568,102	\$ 238,928	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	488	-	-	-
State sources	48,170	15,722	33,413	-	-	-	35,017
Federal sources	-	161,161	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	300	-	-	-	-
Total receipts	62,494	744,985	272,641	488	-	-	35,017
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	26,645
Support services	-	-	232,906	-	-	-	-
Noninstructional services	-	684,533	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	66,420	-	-	-	-	-	-
Total disbursements	66,420	684,533	232,906	-	-	-	26,645
Excess (deficiency) of receipts over disbursements	(3,926)	60,452	39,735	488	-	-	8,372
Other financing uses:							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,926)	60,452	39,735	488	-	-	8,372
Cash and investments - beginning	18,447	346,721	28,242	10,125	9,813	8,500	896
Cash and investments - ending	<u>\$ 14,521</u>	<u>\$ 407,173</u>	<u>\$ 67,977</u>	<u>\$ 10,613</u>	<u>\$ 9,813</u>	<u>\$ 8,500</u>	<u>\$ 9,268</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 14,521	\$ 407,173	\$ 67,977	\$ 10,613	\$ 9,813	\$ 8,500	\$ 9,268
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 14,521	\$ 407,173	\$ 67,977	\$ 10,613	\$ 9,813	\$ 8,500	\$ 9,268
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	14,521	407,173	67,977	10,613	9,813	8,500	9,268
Total cash and investment fund balance - ending	\$ 14,521	\$ 407,173	\$ 67,977	\$ 10,613	\$ 9,813	\$ 8,500	\$ 9,268

EAST PORTER COUNTY 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)

	Common School Loan	Scholarships and Awards	Non-English Speaking Grant	School Technology	Health Grant	Professional Development	Title I FY 07
Receipts:							
Local sources	\$ -	\$ 150,000	\$ -	\$ 14,141	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	1,271	-	812	-	1,000	33,612	-
Federal sources	-	-	-	-	-	-	68,809
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	1,271	150,000	812	14,141	1,000	33,612	68,809
Disbursements:							
Current:							
Instruction	-	-	160	-	-	-	63,297
Support services	1,271	2,500	-	1,960	-	30,761	600
Noninstructional services	-	-	-	-	-	-	966
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,271	2,500	160	1,960	-	30,761	64,863
Excess (deficiency) of receipts over disbursements	-	147,500	652	12,181	1,000	2,851	3,946
Other financing uses:							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	147,500	652	12,181	1,000	2,851	3,946
Cash and investments - beginning	-	-	1,938	30,948	-	14,428	(3,678)
Cash and investments - ending	\$ -	\$ 147,500	\$ 2,590	\$ 43,129	\$ 1,000	\$ 17,279	\$ 268
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 147,500	\$ 2,590	\$ 43,129	\$ 1,000	\$ 17,279	\$ 268
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 147,500	\$ 2,590	\$ 43,129	\$ 1,000	\$ 17,279	\$ 268
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	147,500	2,590	43,129	1,000	17,279	268
Total cash and investment fund balance - ending	\$ -	\$ 147,500	\$ 2,590	\$ 43,129	\$ 1,000	\$ 17,279	\$ 268

EAST PORTER COUNTY 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 FY 08	Innovative Education Program Strategies 06/07	Innovative Education Program Strategies 05/06	Drug Free Schools 05/06	Drug Free Schools 06/07	Class Size Reduction 07/08	Class Size Reduction 05/06
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	14,901	2,864	-	-	1,900	41,736	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	14,901	2,864	-	-	1,900	41,736	-
Disbursements:							
Current:							
Instruction	18,186	-	-	1,506	2,703	37,933	-
Support services	-	1,807	212	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	484	109	94	5,539	123
Total disbursements	18,186	1,807	696	1,615	2,797	43,472	123
Excess (deficiency) of receipts over disbursements	(3,285)	1,057	(696)	(1,615)	(897)	(1,736)	(123)
Other financing uses:							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,285)	1,057	(696)	(1,615)	(897)	(1,736)	(123)
Cash and investments - beginning	6,406	1,044	696	1,615	4,764	9,163	123
Cash and investments - ending	\$ 3,121	\$ 2,101	\$ -	\$ -	\$ 3,867	\$ 7,427	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,121	\$ 2,101	\$ -	\$ -	\$ 3,867	\$ 7,427	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,121	\$ 2,101	\$ -	\$ -	\$ 3,867	\$ 7,427	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,121	2,101	-	-	3,867	7,427	-
Total cash and investment fund balance - ending	\$ 3,121	\$ 2,101	\$ -	\$ -	\$ 3,867	\$ 7,427	\$ -

EAST PORTER COUNTY 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)

	Retirement/ Severance Bond	School Bus Replacement	Construction 1993	Construction 1998	Construction 2000	Totals
Receipts:						
Local sources	\$ 353,728	\$ 364,845	\$ -	\$ 1,468	\$ -	\$ 1,705,536
Intermediate sources	-	-	-	-	-	488
State sources	-	-	-	-	-	169,017
Federal sources	-	-	-	-	-	291,371
Temporary loans	280,660	-	-	-	-	280,660
Other	-	-	-	-	-	300
Total receipts	634,388	364,845	-	1,468	-	2,447,372
Disbursements:						
Current:						
Instruction	-	-	-	-	-	150,430
Support services	-	498,595	-	862	-	771,474
Noninstructional services	-	-	-	-	-	685,499
Facilities acquisition and construction	-	-	72,508	32,745	29,892	135,145
Debt services	469,837	-	-	-	-	469,837
Nonprogrammed charges	-	-	-	-	-	72,769
Total disbursements	469,837	498,595	72,508	33,607	29,892	2,285,154
Excess (deficiency) of receipts over disbursements	164,551	(133,750)	(72,508)	(32,139)	(29,892)	162,218
Other financing uses:						
Transfers out	-	-	(9,722)	-	-	(9,722)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	164,551	(133,750)	(82,230)	(32,139)	(29,892)	152,496
Cash and investments - beginning	(6,885)	155,595	82,230	32,139	29,892	783,162
Cash and investments - ending	<u>\$ 157,666</u>	<u>\$ 21,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,658</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 21,845	\$ -	\$ -	\$ -	\$ 777,992
Restricted assets:						
Cash and investments	157,666	-	-	-	-	157,666
Total cash and investment assets - ending	<u>\$ 157,666</u>	<u>\$ 21,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,658</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ 157,666	\$ -	\$ -	\$ -	\$ -	\$ 157,666
Unrestricted	-	21,845	-	-	-	777,992
Total cash and investment fund balance - ending	<u>\$ 157,666</u>	<u>\$ 21,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,658</u>

EAST PORTER COUNTY 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, 2009

	Special Education Preschool	School Lunch	Textbook Rental	Education License Plate	Alternative Education	School Intervention
Receipts:						
Local sources	\$ 14,212	\$ 570,838	\$ 244,490	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	993	-	-
State sources	58,644	16,396	43,886	-	-	15,000
Federal sources	-	180,395	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>72,856</u>	<u>767,629</u>	<u>288,376</u>	<u>993</u>	<u>-</u>	<u>15,000</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	15,000
Support services	-	-	324,656	-	-	-
Noninstructional services	-	779,022	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	9,813	-
Total disbursements	<u>-</u>	<u>779,022</u>	<u>324,656</u>	<u>-</u>	<u>9,813</u>	<u>15,000</u>
Excess (deficiency) of receipts over disbursements	<u>72,856</u>	<u>(11,393)</u>	<u>(36,280)</u>	<u>993</u>	<u>(9,813)</u>	<u>-</u>
Other financing sources:						
Transfers in	-	-	14,451	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>72,856</u>	<u>(11,393)</u>	<u>(21,829)</u>	<u>993</u>	<u>(9,813)</u>	<u>-</u>
Cash and investments - beginning	<u>14,521</u>	<u>407,173</u>	<u>67,977</u>	<u>10,613</u>	<u>9,813</u>	<u>-</u>
Cash and investments - ending	<u>\$ 87,377</u>	<u>\$ 395,780</u>	<u>\$ 46,148</u>	<u>\$ 11,606</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 87,377	\$ 395,780	\$ 46,148	\$ 11,606	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 87,377</u>	<u>\$ 395,780</u>	<u>\$ 46,148</u>	<u>\$ 11,606</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>87,377</u>	<u>395,780</u>	<u>46,148</u>	<u>11,606</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 87,377</u>	<u>\$ 395,780</u>	<u>\$ 46,148</u>	<u>\$ 11,606</u>	<u>\$ -</u>	<u>\$ -</u>

EAST PORTER COUNTY 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, 2009
 (Continued)

	Kouts Bleacher	Gift Fund	Gifted and Talented	Common School Loan	Scholarships and Awards	Non-English Speaking Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	35,017	48,464	-	450
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	1,800	1,000	-	-	-	-
Total receipts	1,800	1,000	35,017	48,464	-	450
Disbursements:						
Current:						
Instruction	-	-	31,145	-	-	1,557
Support services	-	-	2,276	-	-	649
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	49,667	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	450	-	-	-	-
Total disbursements	-	450	33,421	49,667	-	2,206
Excess (deficiency) of receipts over disbursements	1,800	550	1,596	(1,203)	-	(1,756)
Other financing sources:						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,800	550	1,596	(1,203)	-	(1,756)
Cash and investments - beginning	-	8,500	9,268	-	147,500	2,590
Cash and investments - ending	\$ 1,800	\$ 9,050	\$ 10,864	\$ (1,203)	\$ 147,500	\$ 834
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,800	\$ 9,050	\$ 10,864	\$ (1,203)	\$ 147,500	\$ 834
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,800	\$ 9,050	\$ 10,864	\$ (1,203)	\$ 147,500	\$ 834
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,800	9,050	10,864	(1,203)	147,500	834
Total cash and investment fund balance - ending	\$ 1,800	\$ 9,050	\$ 10,864	\$ (1,203)	\$ 147,500	\$ 834

EAST PORTER COUNTY 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, 2009
 (Continued)

	School Technology	Health Grant	Wellness Program	Professional Development	Title I FY 09	Title I FY 08
Receipts:						
Local sources	\$ 23,415	\$ -	\$ 16,100	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	33,719	-	-
Federal sources	-	-	-	-	121,987	29,141
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>23,415</u>	<u>-</u>	<u>16,100</u>	<u>33,719</u>	<u>121,987</u>	<u>29,141</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	93,526	24,261
Support services	27,848	-	4,600	34,389	2,289	-
Noninstructional services	-	-	-	-	100	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>27,848</u>	<u>-</u>	<u>4,600</u>	<u>34,389</u>	<u>95,915</u>	<u>24,261</u>
Excess (deficiency) of receipts over disbursements	<u>(4,433)</u>	<u>-</u>	<u>11,500</u>	<u>(670)</u>	<u>26,072</u>	<u>4,880</u>
Other financing sources:						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,433)</u>	<u>-</u>	<u>11,500</u>	<u>(670)</u>	<u>26,072</u>	<u>4,880</u>
Cash and investments - beginning	<u>43,129</u>	<u>1,000</u>	<u>-</u>	<u>17,279</u>	<u>268</u>	<u>3,121</u>
Cash and investments - ending	<u>\$ 38,696</u>	<u>\$ 1,000</u>	<u>\$ 11,500</u>	<u>\$ 16,609</u>	<u>\$ 26,340</u>	<u>\$ 8,001</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 38,696	\$ 1,000	\$ 11,500	\$ 16,609	\$ 26,340	\$ 8,001
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 38,696</u>	<u>\$ 1,000</u>	<u>\$ 11,500</u>	<u>\$ 16,609</u>	<u>\$ 26,340</u>	<u>\$ 8,001</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>38,696</u>	<u>1,000</u>	<u>11,500</u>	<u>16,609</u>	<u>26,340</u>	<u>8,001</u>
Total cash and investment fund balance - ending	<u>\$ 38,696</u>	<u>\$ 1,000</u>	<u>\$ 11,500</u>	<u>\$ 16,609</u>	<u>\$ 26,340</u>	<u>\$ 8,001</u>

EAST PORTER COUNTY 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, 2009
 (Continued)

	Innovative Education Program Strategies 06/07	Drug Free Schools 06/07	Class Size Reduction 07/08	Retirement/ Severance Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 319,323	\$ 566,912	\$ 1,755,290
Intermediate sources	-	-	-	-	-	993
State sources	-	-	-	-	-	251,576
Federal sources	600	3,340	48,116	-	-	383,579
Temporary loans	-	-	-	244,000	-	244,000
Other	-	-	-	-	-	2,800
Total receipts	600	3,340	48,116	563,323	566,912	2,638,238
Disbursements:						
Current:						
Instruction	-	4,259	45,092	-	-	214,840
Support services	1,813	-	-	-	164,204	562,724
Noninstructional services	-	-	-	-	-	779,122
Facilities acquisition and construction	-	-	-	-	-	49,667
Debt services	-	-	-	608,849	-	608,849
Nonprogrammed charges	-	-	-	-	-	10,263
Total disbursements	1,813	4,259	45,092	608,849	164,204	2,225,465
Excess (deficiency) of receipts over disbursements	(1,213)	(919)	3,024	(45,526)	402,708	412,773
Other financing sources:						
Transfers in	-	-	-	-	-	14,451
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,213)	(919)	3,024	(45,526)	402,708	427,224
Cash and investments - beginning	2,101	3,867	7,427	157,666	21,845	935,658
Cash and investments - ending	\$ 888	\$ 2,948	\$ 10,451	\$ 112,140	\$ 424,553	\$ 1,362,882
Cash and Investment Assets - Ending						
Cash and investments	\$ 888	\$ 2,948	\$ 10,451	\$ -	\$ 424,553	\$ 1,250,742
Restricted assets:						
Cash and investments	-	-	-	112,140	-	112,140
Total cash and investment assets - ending	\$ 888	\$ 2,948	\$ 10,451	\$ 112,140	\$ 424,553	\$ 1,362,882
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 112,140	\$ -	\$ 112,140
Unrestricted	888	2,948	10,451	-	424,553	1,250,742
Total cash and investment fund balance - ending	\$ 888	\$ 2,948	\$ 10,451	\$ 112,140	\$ 424,553	\$ 1,362,882

EAST PORTER COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 525,885
Infrastructure	2,098,818
Buildings	57,369,356
Improvements other than buildings	413,639
Machinery and equipment	4,133,995
Vehicles	<u>2,302,593</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 66,844,286</u>

EAST PORTER COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

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:		
East Porter County School Building Corp:		
2005 Lease Agreement	\$ 27,700,000	\$ 3,426,000
2008 Lease Agreement	20,500,000	981,000
Notes and loans payable:		
American Energy Contract 1	255,000	261,684
Common School Loan #A0957	3,021	3,037
Common School Loan #A1002	3,021	3,037
Common School Loan #A1246	29,577	20,501
Common School Loan #A1341	48,464	12,378
Tax Anticipation Warrants	1,938,000	1,974,370
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2003	2,515,000	330,282
Total governmental activities debt	<u>\$ 52,992,083</u>	<u>\$ 7,012,289</u>

EAST PORTER COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The 2008 Construction Fund and Pension Trust Fund were overdrawn \$40,128 and \$2,241, respectively on June 30, 2008. The Common School Loan Fund was overdrawn \$1,203 on June 30, 2009.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COMPENSATION PAID FROM EXTRA-CURRICULAR ACCOUNT
(Applies to Washington Township Elementary)

Payments to School Corporation employees working at Extra-Curricular events were made by the school extra-curricular account rather than through the Corporation's payroll system.

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 Extra-Curricular Accounts, Chapter 11)

ECA EDUCATIONAL PURCHASES (Applies to Washington Township Elementary)

Purchases have been made out of the school's extra-curricular funds for items such as: classroom and office supplies and licenses. A similar comment was in the prior Report B31968.

Activity or activities as used herein has reference to conducting any athletic, social, class or other school function and the collection, custody and disbursement of any money in connection therewith, other than functions conducted solely by any organization of parents and teachers, which does not include public money. The collection, custody, and disbursement of the money for an activity are represented in the accounting records by a fund and control account for all of the activity funds is designated as the "School Extra-Curricular Account."

Please note from the definition above, that the extra-curricular account is to be used only for functions which are not educational in nature. Accounts for educational functions must be maintained in the school corporation records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

ECA EDUCATIONAL FEES (Applies to Washington Township Middle and High School)

Some educational fees were being receipted to and retained in an extra-curricular fund.

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney

EAST PORTER COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

PRENUMBERED TICKETS NOT USED (Applies to Kouts School)

Prenumbered tickets were not retained for examination. A cash register was used for most events, but for outdoor events such as soccer and softball prenumbered tickets were used. Tickets were only presented for examination for soccer games and no other outdoor events so the information on the ticket sale report (Form SA-4) could not be verified.

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4. (Accounting and Uniform Compliance Guidelines Manual Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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 Extra-Curricular Accounts, Chapter 7)

PRESCRIBED RECEIPTS (Applies to Kouts School)

The Extra-Curricular Treasurer is not using State Board of Accounts prescribed or approved receipt forms. Various different receipt forms are being used, many of which are not prenumbered. Duplicate receipts are not maintained in a book. Instead, the duplicate copies are clipped behind the bank deposit slip.

EAST PORTER COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

Cash change is given for checks that are made out for more than the amount that is due. The checks are being receipted at the amount due.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

INTERNAL CONTROLS (Applies to Kouts School)

Internal controls over receipts generated by admission to some sporting events are insufficient. Some workers are allowed to take the cash change and gate receipts home after games. Admission receipts and the cash change are returned and counted at a later date (usually the first school day following the event).

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 Extra-Curricular Accounts, Chapter 7)

OVERDRAWN FUND BALANCES (ECA) (Applies to Kouts School)

The Elementary Textbook Rental Fund, Elementary PETT Fund, and High School Cheer Fund were overdrawn \$20,462, \$25, and \$385 respectively on June 30, 2008. The Interest Income Fund and Student Concessions Fund were overdrawn \$927 and \$516 respectively on June 30, 2009.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

EAST PORTER COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2009, with Dr. Rodney Gardin, Superintendent of Schools; Lisa Rosinko, Treasurer; and Jane Grennes, Deputy Treasurer. The officials concurred with our findings.