

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

AUDIT REPORT
OF
CLINTON CENTRAL SCHOOL CORPORATION
CLINTON COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
03/25/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary Clark Robert Lease	07-01-07 to 12-10-07 12-11-07 to 06-30-10
Superintendent of Schools	Phillip M. Boley	07-01-07 to 06-30-10
President of the School Board	Clint Orr Robert Brinson	07-01-07 to 06-30-09 07-01-09 to 06-30-10



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

TO: THE OFFICIALS OF THE CLINTON CENTRAL SCHOOL
CORPORATION, CLINTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clinton Central School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, 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 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, 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, 2008 and 2009, 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 February 5, 2010, 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.

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

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

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 Schedule, as listed in the Table of Contents, 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 Long-Term Debt has 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 the schedule.

STATE BOARD OF ACCOUNTS

February 5, 2010



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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 CLINTON CENTRAL SCHOOL
CORPORATION, CLINTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clinton Central School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 5, 2010. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in items 2009-2 and 2009-3 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, of the significant deficiencies described above, we consider items 2009-2 and 2009-3 to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2009-2 and 2009-3.

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

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

February 5, 2010

CLINTON CENTRAL 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 (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,859,068	\$ -	\$ 57,992	\$ (4,801,076)
Support services	2,578,991	363,744	155,379	(2,059,868)
Noninstructional services	657,148	-	-	(657,148)
Facilities acquisition and construction	617,455	-	-	(617,455)
Debt service	451,464	-	-	(451,464)
Nonprogrammed charges	106,524	-	-	(106,524)
Total governmental activities	<u>\$ 9,270,650</u>	<u>\$ 363,744</u>	<u>\$ 213,371</u>	<u>(8,693,535)</u>
General receipts:				
Property taxes				3,387,034
Other local sources				557,628
State aid				3,822,167
Grants and contributions not restricted to specific programs				509,806
Sale of property				21,077
Investment earnings				64,063
Other				7,195
Total general receipts				<u>8,368,970</u>
Change in net assets				(324,565)
Net assets - beginning as previously stated				2,089,684
Restatement of fund (See Note III C)				(2,005)
Net assets - restated				<u>2,087,679</u>
Net assets - ending				<u><u>\$ 1,763,114</u></u>
<u>Assets</u>				
Cash and investments				\$ 1,209,361
Restricted assets:				
Cash and investments				<u>553,753</u>
Total assets				<u>\$ 1,763,114</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 7,317
Other purposes				546,436
Unrestricted				<u>1,209,361</u>
Total net assets				<u>\$ 1,763,114</u>

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

CLINTON CENTRAL SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<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	\$ 5,475,483	\$ -	\$ 159,855	\$ (5,315,628)
Support services	3,163,545	370,590	206,669	(2,586,286)
Noninstructional services	622,429	-	-	(622,429)
Facilities acquisition and construction	495,626	-	-	(495,626)
Debt service	449,418	-	-	(449,418)
Nonprogrammed charges	318,335	-	-	(318,335)
Total governmental activities	<u>\$ 10,524,836</u>	<u>\$ 370,590</u>	<u>\$ 366,524</u>	<u>(9,787,722)</u>
General receipts:				
Property taxes				3,972,210
Other local sources				704,205
State aid				4,319,261
Grants and contributions not restricted to specific programs				1,035,228
Sale of property				26,047
Investment earnings				33,547
Other				2,778
Total general receipts				<u>10,093,276</u>
Change in net assets				305,554
Net assets - beginning				<u>1,763,114</u>
Net assets - ending				<u>\$ 2,068,668</u>
<u>Assets</u>				
Cash and investments				\$ 1,671,806
Restricted assets:				
Cash and investments				<u>396,862</u>
Total assets				<u>\$ 2,068,668</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (31,114)
Other purposes				427,976
Unrestricted				<u>1,671,806</u>
Total net assets				<u>\$ 2,068,668</u>

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

CLINTON CENTRAL 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	Local Rainy Day	Government Stimulus	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,128,820	\$ 519,542	\$ 9,462	\$ -	\$ 860,707	\$ 112,104	\$ 739,202	\$ 4,369,837
Intermediate sources	2,107	-	-	-	-	-	525	2,632
State sources	3,850,329	-	-	-	-	-	85,286	3,935,615
Federal sources	-	-	-	-	-	-	609,256	609,256
Other	4,437	991	-	-	267	1,500	473	7,668
Total receipts	5,985,693	520,533	9,462	-	860,974	113,604	1,434,742	8,925,008
Disbursements:								
Current:								
Instruction	4,391,967	-	-	-	-	-	467,101	4,859,068
Support services	1,605,244	535,649	-	-	187,623	159,146	91,329	2,578,991
Noninstructional services	145,931	-	-	-	-	-	511,217	657,148
Facilities acquisition and construction	-	-	-	-	610,408	-	7,047	617,455
Debt services	-	-	-	-	-	-	451,464	451,464
Nonprogrammed charges	108,507	-	-	-	-	-	11,724	120,231
Total disbursements	6,251,649	535,649	-	-	798,031	159,146	1,539,882	9,284,357
Excess (deficiency) of receipts over disbursements	(265,956)	(15,116)	9,462	-	62,943	(45,542)	(105,140)	(359,349)
Other financing sources (uses):								
Sale of capital assets	19,683	22	-	-	-	-	1,372	21,077
Transfers in	-	-	-	-	-	-	27,450	27,450
Transfers out	-	-	-	-	-	-	(27,450)	(27,450)
Total other financing sources (uses)	19,683	22	-	-	-	-	1,372	21,077
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(246,273)	(15,094)	9,462	-	62,943	(45,542)	(103,768)	(338,272)
Cash and investments - beginning	331,596	150,840	150,000	-	446,656	197,968	277,890	1,554,950
Cash and investments - ending	\$ 85,323	\$ 135,746	\$ 159,462	\$ -	\$ 509,599	\$ 152,426	\$ 174,122	1,216,678
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								546,436
Net assets of governmental activities								<u>\$ 1,763,114</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 85,323	\$ 135,746	\$ 159,462	\$ -	\$ 509,599	\$ 152,426	\$ 166,805	\$ 1,209,361
Restricted assets:								
Cash and investments	-	-	-	-	-	-	7,317	7,317
Total cash and investment assets - ending	\$ 85,323	\$ 135,746	\$ 159,462	\$ -	\$ 509,599	\$ 152,426	\$ 174,122	\$ 1,216,678
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,317	7,317
Unrestricted	85,323	135,746	159,462	-	509,599	152,426	166,805	1,209,361
Total cash and investment fund balance - ending	\$ 85,323	\$ 135,746	\$ 159,462	\$ -	\$ 509,599	\$ 152,426	\$ 174,122	\$ 1,216,678

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

CLINTON CENTRAL 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, 2009

	General	Transportation Operating	Local Rainy Day	Government Stimulus	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,650,967	\$ 649,260	\$ -	\$ -	\$ 792,349	\$ 141,295	\$ 845,783	\$ 5,079,654
Intermediate sources	392	-	-	-	-	-	506	898
State sources	4,449,136	-	-	-	-	-	118,804	4,567,940
Federal sources	-	-	-	521,791	-	-	631,282	1,153,073
Other	1,957	821	-	-	-	-	-	2,778
Total receipts	7,102,452	650,081	-	521,791	792,349	141,295	1,596,375	10,804,343
Disbursements:								
Current:								
Instruction	4,845,458	-	-	-	-	-	630,025	5,475,483
Support services	1,472,430	633,497	-	-	657,428	210,034	190,156	3,163,545
Noninstructional services	161,431	-	-	-	-	-	460,998	622,429
Facilities acquisition and construction	-	-	-	-	490,093	-	5,533	495,626
Debt services	-	-	-	-	-	-	449,418	449,418
Nonprogrammed charges	199,875	-	-	-	-	-	-	199,875
Total disbursements	6,679,194	633,497	-	-	1,147,521	210,034	1,736,130	10,406,376
Excess (deficiency) of receipts over disbursements	423,258	16,584	-	521,791	(355,172)	(68,739)	(139,755)	397,967
Other financing sources (uses):								
Sale of capital assets	24,656	243	-	-	-	-	1,148	26,047
Transfers in	-	-	232,176	-	-	-	-	232,176
Transfers out	-	(71,655)	-	-	(105,100)	(17,543)	(37,878)	(232,176)
Total other financing sources (uses)	24,656	(71,412)	232,176	-	(105,100)	(17,543)	(36,730)	26,047
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	447,914	(54,828)	232,176	521,791	(460,272)	(86,282)	(176,485)	424,014
Cash and investments - beginning	85,323	135,746	159,462	-	509,599	152,426	174,122	1,216,678
Cash and investments - ending	\$ 533,237	\$ 80,918	\$ 391,638	\$ 521,791	\$ 49,327	\$ 66,144	\$ (2,363)	1,640,692
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								427,976
Net assets of governmental activities								<u>\$ 2,068,668</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 533,238	\$ 80,917	\$ 391,638	\$ 521,791	\$ 49,327	\$ 66,144	\$ (2,363)	\$ 1,640,692
Total cash and investment assets - ending	\$ 533,238	\$ 80,917	\$ 391,638	\$ 521,791	\$ 49,327	\$ 66,144	\$ (2,363)	\$ 1,640,692
Cash and Investment Fund Balance - Ending								
Unrestricted	\$ 533,238	\$ 80,917	\$ 391,638	\$ 521,791	\$ 49,327	\$ 66,144	\$ (2,363)	\$ 1,640,692
Total cash and investment fund balance - ending	\$ 533,238	\$ 80,917	\$ 391,638	\$ 521,791	\$ 49,327	\$ 66,144	\$ (2,363)	\$ 1,640,692

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

CLINTON CENTRAL SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 17,177
Operating disbursements:	
Insurance claims and expense	3,470
Excess of operating receipts over operating disbursements	13,707
Cash and investment fund balance - beginning	532,729
Cash and investment fund balance - ending	\$ 546,436
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 546,436
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 546,436

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

CLINTON CENTRAL SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ -
Operating disbursements:	
Insurance claims and expense	<u>118,460</u>
Deficiency of operating receipts over operating disbursements	(118,460)
Cash and investment fund balance - beginning	<u>546,436</u>
Cash and investment fund balance - ending	<u><u>\$ 427,976</u></u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 427,976</u></u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 427,976</u></u>

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

CLINTON CENTRAL 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>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 7,920	
Investment earnings:			
Interest	-	646	
Total additions	-	8,566	
Deductions:			
Benefits	38,353	-	
Administrative and general	-	9,643	
Total deductions	38,353	9,643	
Deficiency of total additions over total deductions	(38,353)	(1,077)	
Cash and investment fund balance - beginning	71,011	30,658	
Cash and investment fund balance - ending	<u>\$ 32,658</u>	<u>\$ 29,581</u>	<u>\$ 61,895</u>
Net assets:			
Cash and investments	<u>\$ 32,658</u>	<u>\$ 29,581</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 32,658</u>	<u>\$ 29,581</u>	

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

CLINTON CENTRAL SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 12,777	
Investment earnings:			
Interest	-	329	
Total additions	-	13,106	
Deductions:			
Benefits	18,470	-	
Administrative and general	-	9,948	
Total deductions	18,470	9,948	
Excess (deficiency) of total additions over total deductions	(18,470)	3,158	
Cash and investment fund balance - beginning	32,658	29,581	
Cash and investment fund balance - ending	\$ 14,188	\$ 32,739	\$ 203,647
Net assets:			
Cash and investments	\$ 14,188	\$ 32,739	
Total net assets - cash and investment basis held in trust	\$ 14,188	\$ 32,739	

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

CLINTON CENTRAL 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: Clinton Central School Corporation

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

Joint Venture

The School Corporation is a participant with Clinton Prairie School Corporation, Community Schools of Frankfort, Western Boone School Corporation, Rossville School Corporation, Northwest Hendricks School Corporation, and Lebanon Community Schools Corporation in a joint venture to operate Boone-Clinton Northwest Hendricks County Joint Services (Co-op) which was created to provide instruction to handicapped students. Complete financial statements for the Co-op can be obtained from Community Schools of Frankfort, 50 South Marsh Road, Frankfort, IN 46041.

The School Corporation is a participant with Clinton Prairie School Corporation, Community Schools of Frankfort, Rossville School Corporation, Lafayette School Corporation, Tippecanoe School Corporation, and West Lafayette Community Schools in a joint venture to operate Wildcat Creek Vocational (Co-op) which was created to provide instruction for vocational education. Complete financial statements for the Co-op can be obtained from Tippecanoe School Corporation, 21 Elson Road, Lafayette, IN 47905.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. 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.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The government stimulus (fiscal stabilization-education) 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.

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.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for excess insurance payments.

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students of Clinton Central School Corporation in the form of scholarships.

Agency funds account for assets held by the School Corporation as an agent for other federal, state, and county agencies.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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 enterprise 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.

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.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary 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 and proprietary 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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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 as follows:

1. Internal activities – 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 except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. 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.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

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

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

or highway use taxes are received 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, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
School Lunch	\$ 40,811	\$ -
High Ability Grant 07-08	-	1,975
Fresh Fruit and Vegetable Grant	-	3,406
Title 1 - FY 06-07	1,756	6,076
Title 1 - 2008-09	-	37,322
Wildcat Creek FY 06-07	265	565
Special Education FY 07-08	540	3,313
Special Education FY 05-06	30	30
Special Education Flow Thru 08-09	-	91,893
Drug Free Schools 05-06	15	15
Drug Free Schools 06-07	-	6,191
Drug Free Schools 07-08	-	28,610
Title II (A) Improving Teacher Quality	-	11,157
Debt Service	-	7,506
Retirement Bond	-	23,608
Post Retirement/Severance Future Benefits	-	7,012
Foundation Grants	2,250	2

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the (underestimate of current requirements; these deficits are to be repaid from future receipts.)

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

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$2,319,242.

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.

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.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
Transportation Operating	Local Rainy Day	\$ -	\$ 71,655
Capital Projects	Local Rainy Day	-	105,100
Bus Replacement	Local Rainy Day	-	17,543
Other governmental funds	Local Rainy Day	-	37,878
	Other governmental funds	<u>27,450</u>	<u>-</u>
Totals		<u>\$ 27,450</u>	<u>\$ 232,176</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2009, 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.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated July 1, 2007
Government Wide	\$ 2,005	\$ (2,005)	\$ -	\$ -	\$ -
Fiduciary	-	2,005	-	-	2,005

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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.

B. Holding Corporation

The School Corporation has entered into a capital lease with Clinton Central School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$353,000.

C. Subsequent Events

The School Corporation has entered into a project to replace the Heating, Air Conditioning, and Ventilation in both school buildings, replace the front façade and windows of the high school building, and various smaller projects within the schools. The cost of the total project is estimated at \$12.7 million. The School Corporation has entered into a new lease with the Clinton Central 2009 Building Corporation, which has acquired a \$10 million bond issue from the Indiana Bond Bank Qualified School Corporation Bond Program. The remaining estimated \$2.7 million will come from an additional bond issue in the spring of 2010. Included in the project is the refunding of the lease with the Clinton Central Building Corporation.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. 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.

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.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 59,525
Interest on net pension obligation	(3,712)
Adjustment to annual required contribution	4,230
Annual pension cost	60,043
Contributions made	39,157
Increase in net pension obligation	20,886
Net pension obligation, beginning of year	(51,196)
Net pension obligation, end of year	\$ (30,310)

	PERF
Contribution rates:	
School Corporation	6.50%
Plan members	3%
Actuarial valuation date	07-01-08
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

<u>Actuarial Assumptions</u>	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%

CLINTON CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 27,896	113%	\$ (65,465)
	06-30-07	49,861	71%	(51,196)
	06-30-08	60,043	65%	(30,310)

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

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.

CLINTON CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Plan members are required to contribute 3% of their salary and 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 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$157,509, \$137,798, and \$122,928, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

CLINTON CENTRAL 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	\$ 647,854	\$ 735,077	\$ (87,223)	88%	\$ 664,348	(13%)
07-01-07	727,282	856,610	(129,328)	85%	757,606	(17%)
07-01-08	795,502	886,753	(91,251)	90%	725,798	(13%)

CLINTON CENTRAL 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	Levy Excess	Educational Licenses	Gifted and Talented
Receipts:						
Local sources	\$ 4,950	\$ 316,133	\$ 55,089	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	525	-
State sources	16,952	6,380	21,526	-	-	-
Federal sources	-	127,473	-	-	-	-
Other	-	-	-	-	-	473
Total receipts	21,902	449,986	76,615	-	525	473
Disbursements:						
Current:						
Instruction	16,187	-	-	-	-	-
Support services	747	731	64,241	-	-	-
Noninstructional services	-	489,167	-	-	6,956	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	11,724	-	-	-	-	-
Total disbursements	28,658	489,898	64,241	-	6,956	-
Excess (deficiency) of receipts over disbursements	(6,756)	(39,912)	12,374	-	(6,431)	473
Other financing sources (uses):						
Sale of capital assets	-	-	1,372	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,372	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,756)	(39,912)	13,746	-	(6,431)	473
Cash and investments - beginning	43,386	(899)	10,504	10,830	6,844	(473)
Cash and investments - ending	\$ 36,630	\$ (40,811)	\$ 24,250	\$ 10,830	\$ 413	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 36,630	\$ (40,811)	\$ 24,250	\$ 10,830	\$ 413	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 36,630	\$ (40,811)	\$ 24,250	\$ 10,830	\$ 413	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	36,630	(40,811)	24,250	10,830	413	-
Total cash and investment fund balance - ending	\$ 36,630	\$ (40,811)	\$ 24,250	\$ 10,830	\$ 413	\$ -

CLINTON CENTRAL 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)

	High Ability Grant 07-08	Medicaid Reimbursement	ESL Grant	Clinton County Drug Free	Clinton County Community Endowment	Global Indiana
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	29,830	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	29,830	-	-	-	-	-
Disbursements:						
Current:						
Instruction	27,784	-	-	-	-	-
Support services	-	-	-	-	-	1,000
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	407	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	27,784	-	-	-	407	1,000
Excess (deficiency) of receipts over disbursements	2,046	-	-	-	(407)	(1,000)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,046	-	-	-	(407)	(1,000)
Cash and investments - beginning	-	450	575	178	407	1,000
Cash and investments - ending	\$ 2,046	\$ 450	\$ 575	\$ 178	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,046	\$ 450	\$ 575	\$ 178	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,046	\$ 450	\$ 575	\$ 178	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,046	450	575	178	-	-
Total cash and investment fund balance - ending	\$ 2,046	\$ 450	\$ 575	\$ 178	\$ -	\$ -

CLINTON CENTRAL 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)

	Fresh Fruits and Vegetables Grant	Moving Forward Grant	Title 1 FY 06-07	Title 1 FY 07-08	Title V Part A	Title V FY 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	10,598	-	-	-	-	-
Federal sources	11,874	3,675	14,770	235,518	1,409	-
Other	-	-	-	-	-	-
Total receipts	22,472	3,675	14,770	235,518	1,409	-
Disbursements:						
Current:						
Instruction	-	2,354	32,654	193,947	-	2,880
Support services	-	-	10,000	-	-	-
Noninstructional services	15,094	-	-	-	-	-
Facilities acquisition and construction	6,556	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	21,650	2,354	42,654	193,947	-	2,880
Excess (deficiency) of receipts over disbursements	822	1,321	(27,884)	41,571	1,409	(2,880)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	6,210	-	-
Transfers out	-	-	(6,210)	-	-	-
Total other financing sources (uses)	-	-	(6,210)	6,210	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	822	1,321	(34,094)	47,781	1,409	(2,880)
Cash and investments - beginning	-	-	32,338	-	-	2,949
Cash and investments - ending	\$ 822	\$ 1,321	\$ (1,756)	\$ 47,781	\$ 1,409	\$ 69
Cash and Investment Assets - Ending						
Cash and investments	\$ 822	\$ 1,321	\$ (1,756)	\$ 47,781	\$ 1,409	\$ 69
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 822	\$ 1,321	\$ (1,756)	\$ 47,781	\$ 1,409	\$ 69
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	822	1,321	(1,756)	47,781	1,409	69
Total cash and investment fund balance - ending	\$ 822	\$ 1,321	\$ (1,756)	\$ 47,781	\$ 1,409	\$ 69

CLINTON CENTRAL 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)

	Wildcat Creek FY 07-08	Wildcat Creek FY 06-07	Wildcat Creek FY 05-06	Special Education FY 06-07	Special Education FY 07-08	Special Education FY 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,650	-	-	-	143,574	-
Other	-	-	-	-	-	-
Total receipts	2,650	-	-	-	143,574	-
Disbursements:						
Current:						
Instruction	2,000	496	232	38,245	144,114	30
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,000	496	232	38,245	144,114	30
Excess (deficiency) of receipts over disbursements	650	(496)	(232)	(38,245)	(540)	(30)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	650	(496)	(232)	(38,245)	(540)	(30)
Cash and investments - beginning	-	231	232	38,245	-	-
Cash and investments - ending	\$ 650	\$ (265)	\$ -	\$ -	\$ (540)	\$ (30)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 650	\$ (265)	\$ -	\$ -	\$ (540)	\$ (30)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 650	\$ (265)	\$ -	\$ -	\$ (540)	\$ (30)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	650	(265)	-	-	(540)	(30)
Total cash and investment fund balance - ending	\$ 650	\$ (265)	\$ -	\$ -	\$ (540)	\$ (30)

CLINTON CENTRAL 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)

	Drug Free Schools 05-06	Drug Free Schools 06-07	Carl Perkins FY 05-06	Carl Perkins FY 06-07	Carl Perkins FY 04-05	Medicaid Reimbursement Federal
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	19,260	6,572	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	19,260	6,572	-	-
Disbursements:						
Current:						
Instruction	1,012	1,942	-	58	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	84
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,012	1,942	-	58	-	84
Excess (deficiency) of receipts over disbursements	(1,012)	(1,942)	19,260	6,514	-	(84)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	21,240	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	21,240	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,012)	19,298	19,260	6,514	-	(84)
Cash and investments - beginning	997	4,261	-	(6,514)	7,911	11,980
Cash and investments - ending	\$ (15)	\$ 23,559	\$ 19,260	\$ -	\$ 7,911	\$ 11,896
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (15)	\$ 23,559	\$ 19,260	\$ -	\$ 7,911	\$ 11,896
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (15)	\$ 23,559	\$ 19,260	\$ -	\$ 7,911	\$ 11,896
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(15)	23,559	19,260	-	7,911	11,896
Total cash and investment fund balance - ending	\$ (15)	\$ 23,559	\$ 19,260	\$ -	\$ 7,911	\$ 11,896

CLINTON CENTRAL 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 II (A) Improving Teacher Quality	Title II Part D	Title II Part A	Debt Service	Retirement Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 288,066	\$ 74,964	\$ 739,202
Intermediate sources	-	-	-	-	-	525
State sources	-	-	-	-	-	85,286
Federal sources	42,481	-	-	-	-	609,256
Other	-	-	-	-	-	473
Total receipts	42,481	-	-	288,066	74,964	1,434,742
Disbursements:						
Current:						
Instruction	-	3,166	-	-	-	467,101
Support services	3,141	-	11,469	-	-	91,329
Noninstructional services	-	-	-	-	-	511,217
Facilities acquisition and construction	-	-	-	-	-	7,047
Debt services	-	-	-	353,000	98,464	451,464
Nonprogrammed charges	-	-	-	-	-	11,724
Total disbursements	3,141	3,166	11,469	353,000	98,464	1,539,882
Excess (deficiency) of receipts over disbursements	39,340	(3,166)	(11,469)	(64,934)	(23,500)	(105,140)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	1,372
Transfers in	-	-	-	-	-	27,450
Transfers out	(21,240)	-	-	-	-	(27,450)
Total other financing sources (uses)	(21,240)	-	-	-	-	1,372
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,100	(3,166)	(11,469)	(64,934)	(23,500)	(103,768)
Cash and investments - beginning	-	3,166	13,541	71,797	23,954	277,890
Cash and investments - ending	\$ 18,100	\$ -	\$ 2,072	\$ 6,863	\$ 454	\$ 174,122
Cash and Investment Assets - Ending						
Cash and investments	\$ 18,100	\$ -	\$ 2,072	\$ -	\$ -	\$ 166,805
Restricted assets:						
Cash and investments	-	-	-	6,863	454	7,317
Total cash and investment assets - ending	\$ 18,100	\$ -	\$ 2,072	\$ 6,863	\$ 454	\$ 174,122
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 6,863	\$ 454	\$ 7,317
Unrestricted	18,100	-	2,072	-	-	166,805
Total cash and investment fund balance - ending	\$ 18,100	\$ -	\$ 2,072	\$ 6,863	\$ 454	\$ 174,122

CLINTON CENTRAL 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	Levy Excess	Educational Licenses	High Ability Grant 07-08
Receipts:						
Local sources	\$ 5,332	\$ 318,781	\$ 72,805	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	506	-
State sources	25,612	6,278	31,934	-	-	-
Federal sources	-	165,263	-	-	-	-
Total receipts	<u>30,944</u>	<u>490,322</u>	<u>104,739</u>	<u>-</u>	<u>506</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	31,560	-	-	-	-	4,021
Support services	-	826	120,723	-	-	-
Noninstructional services	-	435,155	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>31,560</u>	<u>435,981</u>	<u>120,723</u>	<u>-</u>	<u>-</u>	<u>4,021</u>
Excess (deficiency) of receipts over disbursements	<u>(616)</u>	<u>54,341</u>	<u>(15,984)</u>	<u>-</u>	<u>506</u>	<u>(4,021)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	1,148	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(616)</u>	<u>54,341</u>	<u>(14,836)</u>	<u>-</u>	<u>506</u>	<u>(4,021)</u>
Cash and investments - beginning	<u>36,630</u>	<u>(40,811)</u>	<u>24,250</u>	<u>10,830</u>	<u>413</u>	<u>2,046</u>
Cash and investments - ending	<u>\$ 36,014</u>	<u>\$ 13,530</u>	<u>\$ 9,414</u>	<u>\$ 10,830</u>	<u>\$ 919</u>	<u>\$ (1,975)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 36,014	\$ 13,530	\$ 9,414	\$ 10,830	\$ 919	\$ (1,975)
Total cash and investment assets - ending	<u>\$ 36,014</u>	<u>\$ 13,530</u>	<u>\$ 9,414</u>	<u>\$ 10,830</u>	<u>\$ 919</u>	<u>\$ (1,975)</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 36,014	\$ 13,530	\$ 9,414	\$ 10,830	\$ 919	\$ (1,975)
Total cash and investment fund balance - ending	<u>\$ 36,014</u>	<u>\$ 13,530</u>	<u>\$ 9,414</u>	<u>\$ 10,830</u>	<u>\$ 919</u>	<u>\$ (1,975)</u>

CLINTON CENTRAL 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)

	High Ability Grant 08-09	Medicaid Reimbursement	ESL Grant	Clinton County Drug Free	School Consolidation Study	Fresh Fruits and Vegetables Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	29,830	-	150	-	25,000	-
Federal sources	-	-	-	-	-	27,148
Total receipts	29,830	-	150	-	25,000	27,148
Disbursements:						
Current:						
Instruction	16,758	-	-	-	-	-
Support services	-	-	-	-	12,198	-
Noninstructional services	-	-	-	-	-	25,843
Facilities acquisition and construction	-	-	-	-	-	5,533
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	16,758	-	-	-	12,198	31,376
Excess (deficiency) of receipts over disbursements	13,072	-	150	-	12,802	(4,228)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,072	-	150	-	12,802	(4,228)
Cash and investments - beginning	-	450	575	178	-	822
Cash and investments - ending	<u>\$ 13,072</u>	<u>\$ 450</u>	<u>\$ 725</u>	<u>\$ 178</u>	<u>\$ 12,802</u>	<u>\$ (3,406)</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 13,072</u>	<u>\$ 450</u>	<u>\$ 725</u>	<u>\$ 178</u>	<u>\$ 12,802</u>	<u>\$ (3,406)</u>
Total cash and investment assets - ending	<u>\$ 13,072</u>	<u>\$ 450</u>	<u>\$ 725</u>	<u>\$ 178</u>	<u>\$ 12,802</u>	<u>\$ (3,406)</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 13,072</u>	<u>\$ 450</u>	<u>\$ 725</u>	<u>\$ 178</u>	<u>\$ 12,802</u>	<u>\$ (3,406)</u>
Total cash and investment fund balance - ending	<u>\$ 13,072</u>	<u>\$ 450</u>	<u>\$ 725</u>	<u>\$ 178</u>	<u>\$ 12,802</u>	<u>\$ (3,406)</u>

CLINTON CENTRAL 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)

	Moving Forward Grant	Title 1 FY 06-07	Title 1 FY 07-08	Title 1 FY 05-06	Title 1 FY 08-09	Title V Part A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	23,594	28,385	160,600	-
Total receipts	-	-	23,594	28,385	160,600	-
Disbursements:						
Current:						
Instruction	-	4,320	26,088	-	197,922	-
Support services	-	-	10,200	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	4,320	36,288	-	197,922	-
Excess (deficiency) of receipts over disbursements	-	(4,320)	(12,694)	28,385	(37,322)	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,320)	(12,694)	28,385	(37,322)	-
Cash and investments - beginning	1,321	(1,756)	47,781	-	-	1,409
Cash and investments - ending	<u>\$ 1,321</u>	<u>\$ (6,076)</u>	<u>\$ 35,087</u>	<u>\$ 28,385</u>	<u>\$ (37,322)</u>	<u>\$ 1,409</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,321	\$ (6,076)	\$ 35,087	\$ 28,385	\$ (37,322)	\$ 1,409
Total cash and investment assets - ending	\$ 1,321	\$ (6,076)	\$ 35,087	\$ 28,385	\$ (37,322)	\$ 1,409
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 1,321	\$ (6,076)	\$ 35,087	\$ 28,385	\$ (37,322)	\$ 1,409
Total cash and investment fund balance - ending	\$ 1,321	\$ (6,076)	\$ 35,087	\$ 28,385	\$ (37,322)	\$ 1,409

CLINTON CENTRAL 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)

	Title V FY 05-06	Wildcat Creek FY 07-08	Wildcat Creek FY 06-07	Special Education FY 07-08	Special Education FY 05-06	Special Education Flow Thru 08-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	32,000	-	161,219
Total receipts	-	-	-	32,000	-	161,219
Disbursements:						
Current:						
Instruction	-	-	300	34,773	-	253,112
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	300	34,773	-	253,112
Excess (deficiency) of receipts over disbursements	-	-	(300)	(2,773)	-	(91,893)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(300)	(2,773)	-	(91,893)
Cash and investments - beginning	69	650	(265)	(540)	(30)	-
Cash and investments - ending	<u>\$ 69</u>	<u>\$ 650</u>	<u>\$ (565)</u>	<u>\$ (3,313)</u>	<u>\$ (30)</u>	<u>\$ (91,893)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 69	\$ 650	\$ (565)	\$ (3,313)	\$ (30)	\$ (91,893)
Total cash and investment assets - ending	\$ 69	\$ 650	\$ (565)	\$ (3,313)	\$ (30)	\$ (91,893)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 69	\$ 650	\$ (565)	\$ (3,313)	\$ (30)	\$ (91,893)
Total cash and investment fund balance - ending	\$ 69	\$ 650	\$ (565)	\$ (3,313)	\$ (30)	\$ (91,893)

CLINTON CENTRAL 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)

	Drug Free Schools 05-06	Drug Free Schools 06-07	Drug Free Schools 07-08	Carl Perkins FY 05-06	Carl Perkins FY 04-05	Carl Perkins FY 08-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	6,420	-	23,459
Total receipts	-	-	-	6,420	-	23,459
Disbursements:						
Current:						
Instruction	-	29,750	28,610	-	-	2,811
Support services	-	-	-	-	-	16,415
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	29,750	28,610	-	-	19,226
Excess (deficiency) of receipts over disbursements	-	(29,750)	(28,610)	6,420	-	4,233
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(29,750)	(28,610)	6,420	-	4,233
Cash and investments - beginning	(15)	23,559	-	19,260	7,911	-
Cash and investments - ending	<u>(15)</u>	<u>(6,191)</u>	<u>(28,610)</u>	<u>25,680</u>	<u>7,911</u>	<u>4,233</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (15)	\$ (6,191)	\$ (28,610)	\$ 25,680	\$ 7,911	\$ 4,233
Total cash and investment assets - ending	<u>(15)</u>	<u>(6,191)</u>	<u>(28,610)</u>	<u>25,680</u>	<u>7,911</u>	<u>4,233</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ (15)	\$ (6,191)	\$ (28,610)	\$ 25,680	\$ 7,911	\$ 4,233
Total cash and investment fund balance - ending	<u>(15)</u>	<u>(6,191)</u>	<u>(28,610)</u>	<u>25,680</u>	<u>7,911</u>	<u>4,233</u>

CLINTON CENTRAL 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)

	Medicaid Reimbursement Federal	Title II (A) Improving Teacher Quality	Title II Part A	Debt Service	Retirement Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 376,509	\$ 72,356	\$ 845,783
Intermediate sources	-	-	-	-	-	506
State sources	-	-	-	-	-	118,804
Federal sources	3,194	-	-	-	-	631,282
Total receipts	3,194	-	-	376,509	72,356	1,596,375
Disbursements:						
Current:						
Instruction	-	-	-	-	-	630,025
Support services	-	29,257	537	-	-	190,156
Noninstructional services	-	-	-	-	-	460,998
Facilities acquisition and construction	-	-	-	-	-	5,533
Debt services	-	-	-	353,000	96,418	449,418
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	29,257	537	353,000	96,418	1,736,130
Excess (deficiency) of receipts over disbursements	3,194	(29,257)	(537)	23,509	(24,062)	(139,755)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	1,148
Transfers out	-	-	-	(37,878)	-	(37,878)
Total other financing sources (uses)	-	-	-	(37,878)	-	(36,730)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,194	(29,257)	(537)	(14,369)	(24,062)	(176,485)
Cash and investments - beginning	11,896	18,100	2,072	6,863	454	174,122
Cash and investments - ending	<u>\$ 15,090</u>	<u>\$ (11,157)</u>	<u>\$ 1,535</u>	<u>\$ (7,506)</u>	<u>\$ (23,608)</u>	<u>\$ (2,363)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 15,090	\$ (11,157)	\$ 1,535	\$ (7,506)	\$ (23,608)	\$ (2,363)
Total cash and investment assets - ending	\$ 15,090	\$ (11,157)	\$ 1,535	\$ (7,506)	\$ (23,608)	\$ (2,363)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 15,090	\$ (11,157)	\$ 1,535	\$ (7,506)	\$ (23,608)	\$ (2,363)
Total cash and investment fund balance - ending	\$ 15,090	\$ (11,157)	\$ 1,535	\$ (7,506)	\$ (23,608)	\$ (2,363)

CLINTON CENTRAL 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	\$ 13,437	\$ 24,916	\$ 38,353
Deficiency of total additions over total deductions	(13,437)	(24,916)	(38,353)
Cash and investment fund balance - beginning	34,637	36,374	71,011
Cash and investment fund balance - ending	\$ 21,200	\$ 11,458	\$ 32,658
Net assets:			
Cash and investments	\$ 21,200	\$ 11,458	\$ 32,658
Total net assets - cash and investment basis held in trust	\$ 21,200	\$ 11,458	\$ 32,658

CLINTON CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2009

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Deductions:			
Benefits	\$ -	\$ 18,470	\$ 18,470
Deficiency of total additions over total deductions	-	(18,470)	(18,470)
Cash and investment fund balance - beginning	21,200	11,458	32,658
Cash and investment fund balance - ending	\$ 21,200	\$ (7,012)	\$ 14,188
Net assets:			
Cash and investments	\$ 21,200	\$ (7,012)	\$ 14,188
Total net assets - cash and investment basis held in trust	\$ 21,200	\$ (7,012)	\$ 14,188

CLINTON CENTRAL 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

	Foundation Grants	Emerson Fund	Matrix Fund	Clinton Central Summer Camp	Falls Scholarship
Additions:					
Contributions:					
Other	\$ -	\$ 2,000	\$ 750	\$ 5,120	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total additions	-	2,000	750	5,120	-
Deductions:					
Administrative and general	2,250	1,000	173	5,120	-
Excess (deficiency) of total additions over total deductions	(2,250)	1,000	577	-	-
Cash and investment fund balance - beginning	-	1,500	505	-	791
Cash and investments - June 30	<u>\$ (2,250)</u>	<u>\$ 2,500</u>	<u>\$ 1,082</u>	<u>\$ -</u>	<u>\$ 791</u>
Net assets:					
Cash and investments	\$ (2,250)	\$ 2,500	\$ 1,082	\$ -	\$ 791
Total net assets - cash and investment basis held in trust	<u>\$ (2,250)</u>	<u>\$ 2,500</u>	<u>\$ 1,082</u>	<u>\$ -</u>	<u>\$ 791</u>

CLINTON CENTRAL 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)

	<u>Julie Pearson Scholarship</u>	<u>Jeremy Butler Scholarship</u>	<u>Class of 1967 Scholarship</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 50	\$ -	\$ -	\$ 7,920
Investment earnings:				
Interest	646	-	-	646
Total additions	<u>696</u>	<u>-</u>	<u>-</u>	<u>8,566</u>
Deductions:				
Administrative and general	1,000	-	100	9,643
Excess (deficiency) of total additions over total deductions	(304)	-	(100)	(1,077)
Cash and investment fund balance - beginning	<u>27,360</u>	<u>402</u>	<u>100</u>	<u>30,658</u>
Cash and Investments - June 30	<u>\$ 27,056</u>	<u>\$ 402</u>	<u>\$ -</u>	<u>\$ 29,581</u>
Net assets:				
Cash and investments	<u>\$ 27,056</u>	<u>\$ 402</u>	<u>\$ -</u>	<u>\$ 29,581</u>
Total net assets - cash and investment basis held in trust	<u>\$ 27,056</u>	<u>\$ 402</u>	<u>\$ -</u>	<u>\$ 29,581</u>

CLINTON CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Foundation Grants	Emerson Fund	Matrix Fund	Clinton Central Summer Camp	Falls Scholarship
Additions:					
Contributions:					
Other	\$ 7,486	\$ 1,000	\$ 559	\$ 3,100	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total additions	<u>7,486</u>	<u>1,000</u>	<u>559</u>	<u>3,100</u>	<u>-</u>
Deductions:					
Administrative and general	<u>5,238</u>	<u>2,000</u>	<u>-</u>	<u>1,710</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	2,248	(1,000)	559	1,390	-
Cash and investment fund balance - beginning	<u>(2,250)</u>	<u>2,500</u>	<u>1,082</u>	<u>-</u>	<u>791</u>
Cash and investments - June 30	<u>\$ (2)</u>	<u>\$ 1,500</u>	<u>\$ 1,641</u>	<u>\$ 1,390</u>	<u>\$ 791</u>
Net assets:					
Cash and investments	<u>\$ (2)</u>	<u>\$ 1,500</u>	<u>\$ 1,641</u>	<u>\$ 1,390</u>	<u>\$ 791</u>
Total net assets - cash and investment basis held in trust	<u>\$ (2)</u>	<u>\$ 1,500</u>	<u>\$ 1,641</u>	<u>\$ 1,390</u>	<u>\$ 791</u>

CLINTON CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Julie Pearson Scholarship</u>	<u>Jeremy Butler Scholarship</u>	<u>Everett Davis Estate</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 50	\$ -	\$ 582	\$ 12,777
Investment earnings:				
Interest	329	-	-	329
Total additions	<u>379</u>	<u>-</u>	<u>582</u>	<u>13,106</u>
Deductions:				
Administrative and general	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>9,948</u>
Excess (deficiency) of total additions over total deductions	(621)	-	582	3,158
Cash and investment fund balance - beginning	<u>27,056</u>	<u>402</u>	<u>-</u>	<u>29,581</u>
Cash and investments - June 30	<u>\$ 26,435</u>	<u>\$ 402</u>	<u>\$ 582</u>	<u>\$ 32,739</u>
Net assets:				
Cash and investments	<u>\$ 26,435</u>	<u>\$ 402</u>	<u>\$ 582</u>	<u>\$ 32,739</u>
Total net assets - cash and investment basis held in trust	<u>\$ 26,435</u>	<u>\$ 402</u>	<u>\$ 582</u>	<u>\$ 32,739</u>

CLINTON CENTRAL 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:		
School Building Capital Lease	\$ 2,560,000	\$ 353,000
Energy Savings Contract	1,467,161	230,506
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2004	<u>845,000</u>	<u>94,271</u>
Total governmental activities debt	<u>\$ 4,872,161</u>	<u>\$ 677,777</u>

CLINTON CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The following funds were overdrawn in the respective school years:

Fund	2007-2008	2008-2009
School Lunch	\$ 40,811	\$ -
High Ability Grant	-	1,975
Fresh Fruits and Vegetables	-	3,406
Title 1 06-07	1,756	6,076
Title 1 08-09	-	37,322
Wildcat Creek FY 06-07	265	565
Special Education 07-08	540	3,313
Special Education 05-06	-	30
Special Education 08-09	-	91,893
Drug Free Schools 05-06	15	15
Drug Free Schools 06-07	-	6,191
Drug Free Schools 07-08	-	28,610
Title II(A) Improving Teacher Quality	-	11,157
Debt Service	-	7,506
Retirement Bond	-	23,608
Post Retirement/Service Future Benefits	-	7,012
Foundation Grants	2,250	2

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)

PRESCRIBED FORMS - TRANSFER TUITION

The School Corporation did not complete Transfer Tuition Form 515 for the calculation of transfer tuition during the audit period. However, review of the ledger of detail receipts revealed that the School Corporation received money for transfer tuition.

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 Indiana Public School Corporations, Chapter 9)

IC 20-26-11-6 states in part:

"(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter."

"(b) A transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established . . ."

CLINTON CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSET RECORDS

The School Corporation did not maintain capital asset records for the audit period. No information was presented for audit to indicate an inventory or record of capital assets was maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.
2. Monitoring of Controls: The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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)

FEES

The following fees were collected without proper authorization: Student Activity Fee. The School Corporation Officials could not provide documentation to verify students received consumable goods or services equal to the charge. The fee is placed in the Extra-Curricular Fund for student activities.

CLINTON CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

All authorized educational fees (the School Board should be able to justify any educational fees (non payroll positions) and ensure Constitutional problems do not exist) must be receipted to the General Fund of the school corporation and included as miscellaneous revenues when preparing the school corporation budget. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

TEXTBOOK REIMBURSEMENT

The School Corporation made an error on the textbook reimbursement claim submitted to the Department of Education in the fiscal year 2008-2009. The amount for grade seven to grade twelve for the total cost of consumable textbook and workbooks could not be documented by School Corporation Officials. Additionally, the report used to determine these numbers for the textbook reimbursement claim was not maintained for audit so we could not determine the actual cost.

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)

IC 20-33-5-7 states in part:

"(a) If a determination is made that the applicant is eligible for assistance, the school corporation shall pay the cost of the student's required fees:

(b) A school corporation may receive reimbursement from the department for some or all of the costs incurred by a school corporation during a school year in providing textbook assistance to students who are eligible under section 2 of this chapter.

(c) to be guaranteed some level of reimbursement from the department, the governing body of a school corporation shall request the reimbursement before November 1 of a school year.

(d) In its request, the governing body shall certify to the department:

(1) the number of students who are enrolled in that school corporation and who are eligible for assistance under this chapter;

(2) the costs incurred by the school corporation in providing:

(A) textbooks (including textbooks used in special education and high ability classes) to these students;

(B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year . . .

CLINTON CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (5) that the amount of reimbursement for each workbook or consumable textbook (or other consumable instructional material used in special education and high ability classes) under subdivision 2(B), if applicable, does not exceed one hundred percent (100%) of the costs incurred for the workbook or consumable textbook . . ."

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."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the School Corporation had money due from the School Corporation, but a list of such employees was not certified to the County Treasurer.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

CERTIFIED REPORT NOT FILED

The School Corporation did not file a certified report of compensation of officers and employees (Form 100-R or equivalent) with the State Board of Accounts for the years 2008 and 2009.

IC 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

PAYMENT TO EMPLOYEES FROM EXTRA-CURRICULAR
ACTIVITY FUNDS (Clinton Central Elementary)

A payment was made from an Extra-Curricular Student Activities Fund to a School Corporation employee rather than through a payroll system. The pay was for a Grade Level Representative amount that had been omitted from the employee's payroll check.

Pay of teachers and other personnel for service at interscholastic athletic events such as ticket takers, scoreboard personnel, etc., are expenses of the Athletic Fund of the Extra-Curricular Account. Pay of concession stand supervisors and of ticket takers, etc., for fine arts events should be paid from the proceeds of the activity sponsoring these events. Payment to all such personnel must be by way of a payroll. If an extra-curricular payroll is not maintained, the payments may be made a part of the corporation payroll and charged to a school corporation General Fund appropriation; however, the General

CLINTON CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Fund must be reimbursed for such payment by the activity which the employees served. (The School Administrator and Uniform Compliance Guidelines, Volume 170) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

ECA EDUCATIONAL FEES (Clinton Central High School)

Some educational fees were being receipted to and retained in an extra-curricular fund. Text-book rental charges and course fees were retained in the Extra-Curricular Text Book Rental Fund and had significant balances at the close of the school year that had not been remitted to the School Corporation.

IC 20-26-4-1(d) 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 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)

OFFICIAL BOND (Clinton Central Elementary and Clinton Central High School)

The following official bonds were not filed in the Office of the County Recorder:

Clinton Central Elementary ECA Treasurer
Clinton Central High School ECA Treasurer

IC 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

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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 CLINTON CENTRAL SCHOOL
CORPORATION, CLINTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Clinton Central School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2009-1.

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 opinion

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)

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. We consider the deficiencies in internal control over compliance described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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.

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

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

February 5, 2010

CLINTON CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 2007-08 FY 2008-09	\$ 17,479 -	\$ - 22,801
Total for program			17,479	22,801
National School Lunch Program	10.555	FY 2007-08 FY 2008-09	142,435 -	- 171,848
Total for program			142,435	171,848
Total for cluster			159,914	194,649
Pass-Through Indiana Department of Education Fresh Fruits and Vegetable Program	10.582	FY 2007-08 FY 2008-09	22,472 -	- 27,148
Total for program			22,472	27,148
Total for federal grantor agency			182,386	221,797
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title 1 Grants to Local Educational Agencies	84.010	FY 2006-07 FY 2007-08 FY 2008-09	42,653 193,947 -	4,320 36,288 197,922
Total for program			236,600	238,530
Pass-Through Community Schools of Frankfort Special Education - Grants to States	84.027	FY 2005-06 FY 2006-07 FY 2007-08 FY 2008-09	30 38,245 144,114 -	- - 34,773 253,112
Total for program			182,389	287,885
Pass-Through Tippecanoe School Corporation Career and Technical Education - Basic Grants to States	84.048	FY 2006-07 FY 2007-08	58 -	- 19,226
Total for program			58	19,226
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186	1150-06 1150-07 1150-08	1,013 1,942 -	- 29,750 28,610
Total for program			2,955	58,360
State Grants for Innovative Programs	84.298	05-129	2,880	-
Education Technology State Grants	84.318	SY 2005-07	3,166	-
Improving Teacher Quality State Grants	84.367	05-242 06-1150	11,469 24,381	537 29,257
Total for program			35,850	29,794
Total for federal grantor agency			463,898	633,795
Total federal awards expended			<u>\$ 646,284</u>	<u>\$ 855,592</u>

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

CLINTON CENTRAL 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 Clinton Central 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 corporation 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, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
Child Nutrition Cluster	10.555	\$ 32,441	\$ 29,386

CLINTON CENTRAL 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?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? yes

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title 1 Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2009-2, NONCOMPLIANCE AND INTERNAL CONTROL REPORTABLE CONDITION

Officials did not have adequate internal controls in place to assure that all capital assets were properly recorded.

Failure to record detailed capital assets resulted in the omission of some of the required capital asset disclosure which results in an incomplete presentation.

CLINTON CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Not recording all capital assets also resulted in noncompliance with the requirements concerning the recording of capital assets in the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations issued by the Indiana State Board of Accounts.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We recommended School Corporation Officials design and monitor procedures that would ensure that the above deficiency is corrected.

FINDING 2009-3, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to be undetected.
2. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal controls.

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

CLINTON CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2009-1, TITLE 1 QUARTERLY REPORT COMPLIANCE

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA No.: 84-010
Federal Award Number: N/A
Pass-Through Agency: Indiana Department of Education

The School Corporation did not file seven out of the eight quarterly monitoring reports required for the two years under audit. Additionally the interim and final reports contained information not supported by the Biannual Financial (Form 9's) reports to the Department of Education. Controls were not in place to ensure that reports due, for each quarter, were filed timely or accurately.

Quarterly monitoring reports are part of the reporting requirements of Title 1. These reports are due in the Title 1 office of Indiana Department of Education (SEA) on the 10th of the month following the end of the quarter. The SEA uses these reports to ensure that required set-asides (professional development for schools and districts in improvement, Choice/SES, and 1% parental involvement reservation) have been met.

EDGAR 80.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

Without accurate and timely reports information the SEA may not have the proper monies have been set aside for future distributions.

We recommended that the School Corporation file the quarterly reports in a timely manner and that the information submitted is supported by the Form 9's and fund ledger at the end of each quarter.

CLINTON CENTRAL SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



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Corrective Action Plan

The management of Clinton Central School Corporation has reviewed the audit findings for the audit of our financial records for the period of July 1, 2007 through June 30, 2009.

We offer the following corrective actions in response to the audit exceptions.

Finding No. 2009-1, Title I Quarterly Report Compliance.

Quarterly reports were not filed because posting was not current and accurate reports could not be prepared on a timely basis. The posting is now current and Title I monitoring reports for the current year have been filed and are supported by the accounting records of the school corporation. Quarterly reports will be filed on time going forward.

Finding No. 2009-2, Noncompliance and Internal Control Reportable Condition

School Corporation officials will set up an inventory system to assure that capital assets are properly recorded. We will have established procedures to record assets when they are purchased and also record the disposal of assets. We will have a report available for review during our next audit.

Finding No. 2009-3, Internal Controls over Financial Transactions and Reporting

The management for Clinton Central School Corporation has reviewed the financial statement finding regarding inadequate internal controls. The office responsible for maintaining the accounting records has limited segregation of duties due to lack of personnel. We have separated duties whenever possible to allow for better monitoring of the various functions. We are not able to hire additional personnel at this time to improve our internal controls due to budget constraints. Management acknowledges and assumes the risk inherent with the current design of our business office.

CLINTON CENTRAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 16, 2010, with Philip M. Boley, Superintendent of Schools; Robert Lease, Treasurer; and Bryan Crenshaw, Vice President of School Board. The officials concurred with our audit findings.